

THE TIMES Tomorrow

Powell on peers The ennoblement of William Whitelaw has revived the debate about the value or otherwise of hereditary peerages.

Out of tune For 12 years Vladimir Horowitz refused to play in public. Glenn Plaskin explains why in the concluding extract from the first-ever biography of the pianist.

Israel hint of partial pull-back

Israel will soon begin a partial withdrawal within Lebanon to a more easily defensible front line, Mr Yitzhak Shamir, the Foreign Minister, confirmed publicly for the first time yesterday.

FINANCIAL TIMES

Leaders of the National Graphical Association, whose dispute with the Financial Times has led to the loss of the last 18 issues of the newspaper, yesterday formally rejected binding arbitration to solve the dispute in the machine room.

Labour paper

Trade unions are to be asked over the next month whether they are prepared to support a £6.7m plan to launch a daily newspaper for the Labour movement, despite scepticism among some TUC leaders about the feasibility of the proposal.

Calvi deal

Roberto Calvi's widow told an inquest that two days before he was found dead he had said he was about to complete an important deal.

Napley ruling

West Yorkshire County Council failed to win the right to sue and challenge Sir David Napley's bill for legal expenses for work during the Helen Smith inquest.



Seed beaten

Jose-Luis Clerc, the Argentine No 7 seed, was beaten by Claudio Panatta, of Italy, on the opening day of the Wimbledon tennis championships.

Leader page 11

Letters: On electoral reform, from Sir Anthony Kershaw, MP, and Mr M J Taylor; on South Bank, from Mr I Horsham; on the Channel Islands, from Mrs K Stewart of Coll; on the proposed Volcker and United States interest rates; on the Commons Select Committee; on the President of China; on the proposed view of the Salvador battle; on the case for hereditary titles; on the musical marriage; on the invitation to the Dance; on the obituary, page 12; on Mr Simons Erlich, Mr George Benson; on Computer Horizons, pages 22, 23; on Report from Silicon Valley; the supreme struggle; advice to hopeful parents.

Table with 2 columns: Page number and Page number. Rows include Home News, Overseas, Arts, Bridge, Reserves, Chess, Crossword, Diary, Law Report, Sale Report, Sport, TV & Radio, Weather, and Wills.

New nuclear survival strategy for Britain

By Peter Evans, Home Affairs Correspondent

Britain's civil defence plans to meet a nuclear attack are to be radically improved after a wide-ranging government review of present arrangements.

The changes are likely to dismay left-wing councils which believe such plans make nuclear war more "acceptable" in the public mind. However, the Government strongly refutes this and says these are humanitarian precautions.

Regulations already laid before Parliament will enable ministers to compel local authorities to make specific provisions, for instance on the minimum size of emergency headquarters, and the nature of their equipment. They will also have certain functions laid on them: one could be that the essential core of contingency plans must be capable of being put into effect within 48 hours.

Pope calls for free unions in Poland

From Roger Boyes, Warsaw

The Pope, on a gruelling eight-day pilgrimage to his homeland, yesterday made his strongest and most comprehensive statement about Solidarity and the rights of Polish workers, emphasizing that the state could not destroy their right to form trade unions.

Addressing a crowd of hundreds of thousands of Silesian pilgrims - gathered in an old airfield outside Katowice where they had been praying non-stop for four hours before the pontiff arrived by helicopter - the Pope alluded to the miners shot after martial law was declared in the winter of 1981. Relatives of the victims had been invited to sit close to the podium where the Pope made his speech.

"Let us remember again all deceased workers," he said, "those who were the victims of mortal accidents in the mines or in other places - those who lost their lives in the recent tragic event. All of them." The shooting of the miners, who were on strike, is still the subject of considerable bitterness throughout the Polish mining region.

The Pope's analysis of workers' rights was based on what he called a combination of social justice and social love. He quoted Cardinal Stefan Wyszyński, the late Primate of Poland, as saying: "It is a question of people's right to free association: that is not a right conceded by someone else. Hence this right is not given to us by the state. The state has the obligation only to protect and guard it, so that it is not violated."

Clearly then, the Pope considers the banning of Solidarity to be illegitimate and he believes that dialogue - "a true dialogue between the authorities and society" - is the only way to restore the rights of workers.



Royal smile lifts the shadow of the gun

From Richard Ford, Ballymena

Queen Elizabeth the Queen Mother won a warm welcome yesterday as she defied Provisional IRA threats to disrupt her visit to Northern Ireland.

Although the warnings were dismissed as propaganda, thousands of troops and policemen were on alert to prevent a possible terrorist attack.

The Queen Mother smiled her way through the security operation even though, 30 minutes before she arrived by helicopter at Ballymena, Co Antrim, several hoax telephone calls warned the police that bombs had been placed in six stores in the town.

On the parade ground of St Patrick's barracks, where the Territorial Army was celebrating its 75th anniversary, the guest of honour received a musical welcome of "When Irish Eyes Are Smiling" and "Danny Boy" that would have made most Irishmen abroad misty-eyed.

Earlier, with one of the gestures for which she is renowned, she gave Mr James Prior, Secretary of State for Northern Ireland, anxious minutes but delighted a small crowd gathered outside the gates of Hillsborough Castle, Co Down. In an unscheduled stop she walked through the grounds and stood talking for about six minutes to well wishers.

Detectives and Mr Prior looked nervously around as the Queen Mother, dressed in a blue chiffon dress and coat with a matching petal hat, continued on back page, col 1.



The smiling and the sombre coming together at Government House, Hillsborough, as the Queen Mother meets schoolchildren amid a full security alert for her visit to Northern Ireland.

Premier was 'drunk' on Princess's charm

St Andrews, New Brunswick (Reuter) - Mr Richard Hatfield the Premier of New Brunswick, has claimed he was "drunk on charm" when he made a controversial toast at an official dinner in honour of Prince Charles and Princess Diana at the weekend.

In his toast, Mr Hatfield, a 52-year-old bachelor and fervent royalist, told the visiting royal couple: "We have heard and read the lies and... it is wonderful to meet and know the truth."

Mr Hatfield said later: "Maybe you could call it a gaffe. I think it was on target."

OTTAWA: On Sunday, thousands swarmed to the quaint little fishing town of St. Andrews in south western New Brunswick, where All Saints Anglican church was filled to overflowing for the Sunday service, at which Prince Charles read the lesson. As he strolled through the crowd afterwards many wished the Prince a happy Father's Day.

Other council members are believed to prefer delaying the decision on the grounds that there may be a more positive indication of British interest rates trends by July 8 and that a rise may prove to be unnecessary.

Mayfair gang seizes up to £6m in gems

By Stewart Tendler, Crime Reporter

Uncut diamonds and jewelry worth between £4m and £6m were taken from the vault of a jeweller's in Mayfair, central London, yesterday in what is believed to be Britain's biggest gemstone robbery.

The vault of Bond Jewellers, in Conduit Street, near New Bond Street, was opened after a gang of men, armed and some disguised in monkey masks, entered the showrooms as the jeweller's was opening for business. A gun was put to the head of one of the staff and the gang said they would shoot him unless the vault was opened.

The staff agreed to open the vault and the gang rifled trays of diamonds and jewelry before escaping into the Monday morning bustle in London's West End. Staff were left tied up or locked in the vault.

The firm had only moved into the building a week ago and the gang made use of gaps in security.

Last night as detectives from Scotland Yard's central robbery squad began investigations a senior detective said they would examine the possibility that the gang had inside information to plan and carry out the raid.

The premises, the ground floor of an office block, include showrooms at the front, a stockroom at the rear and the vault. The showrooms were heavily protected by security devices and entered by a pair of heavy double doors but 15 feet away was another door which led to a lift, a stairwell and a door into the firm's stockroom.

The gang, thought to be four or five white men, are believed to have entered the building early yesterday morning and broken into empty offices above the jewelry firm. They waited as

staff turned up to work and as the last arrived they forced their way in. The gang could not be seen from the street because a stairwell in the corridor leading from the street created and alcove in front of the door to the jewelry stockroom. Once inside the gang took all the staff to the vault except for one who was kept upstairs guarded by one of the gang. The aim was to make it appear from the street that everything was normal inside.

Outside the vault the manager opened up the door after the threat to shoot a member of his staff. The gang went through the trays inside carefully selecting what they wanted and scattering other pieces on the floor. The gang ripped out telephone wires to delay the alarm being raised and then walked out of the jeweller's with their haul. The police believe that they had cars waiting nearby or dispersed and went their separate ways. When police arrived the magnitude of the robbery was at first not clear. It was not until nearly five hours after the raid that the staff finished going through their records and assessed the loss.

Scotland Yard would not say last night whether the company was insured. As detectives took statements from the staff the figure for the loss rose to £3m, then £4m and then to £6m. Detectives were told that at least one of the gang did not wear a mask. He may have been used to knock on the side door as the last of the staff arrived for work and pave the way for the rest of the gang.

Continued on back page, col 6

Wimbledon televised as BBC talks start

By Kenneth Gosling

The Wimbledon tennis championships were shown as planned on BBC television yesterday as talks began in London in an attempt to resolve a dispute between the BBC and its technicians. 100 of whom were suspended last week in a dispute about allowances paid to them for working out of town.

However, England's World Cup cricket match against Sri Lanka was blacked out and tomorrow's State Opening of Parliament is still threatened although a television crew has been allocated from among staff suspended by the BBC for refusing to sign an undertaking to work normally.

The talks opened at the headquarters of the Advisory Conciliation and Arbitration Service at the invitation of Acas yesterday about 45 minutes after the first ball of the Wimbledon tournament was served.

The discussions involve the BBC and three unions: the Association of Broadcasting and Allied Staffs (ABS) whose members are chiefly involved; the National Union of Journalists; and the National Association of Theatrical Television and Kine Employees.

The two sides have reached stalemate because the BBC has told its unions that it insists that the present agreement on allowances must be maintained and the ABS wants its suspended technicians reinstated before normal working can be resumed. The ABS says its members have been locked out.

The BBC is insisting that receipts are produced for expenses incurred during over-night stays by its staff. Previously this was requested but was not compulsory.

Decision may be delayed Doubts over mortgage rise

By Lorna Bourke and Frances Williams

Uncertainty surrounds tomorrow's controversial emergency meeting of the Building Societies Association, called at short notice after the election to decide on a new interest rate structure.

Some societies are reported to want a delay until the Council's scheduled meeting on July 8 when interest rate trends may be clearer.

But it is not certain whether the most expected delay to a larger-than-expected mortgage rate rise or no rise at all.

The Building Societies Association yesterday dismissed as "extremely unlikely" the possibility that the decision would be postponed, and the most likely outcome is a rise in home loan rates from 10 per cent to 11 per cent or 11.5 per cent, with an investment rate of 7 per cent or 7.25 per cent.

No further base rate cuts are expected this week from the banks and the hawks on the association's council will press for the largest mortgage rate rise possible, pointing to the possibility of an increase in United States interest rates as justification.

Other council members are believed to prefer delaying the decision on the grounds that there may be a more positive indication of British interest rates trends by July 8 and that a rise may prove to be unnecessary.

The deciding factor is likely to be the enormous demand for home loans and the fact that lending has been maintained in recent months only by running down liquid reserves.

Roy Cox, deputy chairman of the Building Societies Association, said: "In my opinion it is almost a certainty that we will put up the mortgage rate tomorrow." But he emphasized that he did not speak for the full council.

In that case, any change in the mortgage rate could not take effect until August 1, rather than July 1. There was some cheerful economic news for the Government yesterday as official figures pointed to sustained recovery well into next year. The economy has been pulling slowly out of recession since spring 1981, gathering pace in the early months of this year, and the latest indicators which track the business cycle suggest that the upswing is set to continue. Greater business optimism and rising share prices have boosted the longer leading index, which looks 12 months ahead. Other pointers to a further increase in economic activity over the next few months include fatter order books and a slower rundown of stocks. Business News, page 13, 21

Advertisement for hearing aids. Text: 'For Pensioners with a hearing problem... THIS IS YOUR PERSONAL TINY HEARING AID! SAFE AND SIMPLE. NO NEED TO WAIT! ALREADY USE A HEARING AID! DON'T DELAY! SPECIAL CONCESSIONS FOR PENSIONERS!'

Koestler bequest to study paranormal

By David Nicholson-Lord

Up to £1m may be available to found Britain's first university institute for the study of paranormal phenomena, ranging from telepathy to metal bending, it was disclosed yesterday. At least £500,000 will come in a bequest from Arthur Koestler, the writer, and his wife, who committed suicide together in March.

But leading universities are showing a marked reluctance to commit themselves to the terms of the bequest. Several, including Oxford, Cambridge, and King's and University colleges, London, have been approached but there are fears of opposition from more conservative academics.

Suicide verdict in inquest on Colin Roach

The death of Colin Roach, the black youth who died of shotgun wounds in the entrance to Stoke Newington police station in north London on January 12, was suicide, a coroner's jury decided yesterday.

The jury, half of them black, reached their verdict at Clerkenwell County Court by a majority of eight to two. Police have always insisted that no one else was involved in his death. However, the Roach Family Support Committee, which has been backed by the Greater London Council and the London Borough of Hackney, said that the inquest had been irrelevant. Report and background, page 3

Unions to be canvassed on £6.7m plan for Labour newspaper

By David Felton, Labour Correspondent

Trade unions are to be asked over the next month whether they are prepared to support a £6.7m plan to launch a tabloid daily newspaper for the Labour movement despite scepticism among some TUC leaders about the feasibility of the proposal.

Senior union leaders decided yesterday to sound out all unions affiliated to the TUC and to gauge, if there is sufficient support for the idea of the alternative newspaper, whether unions are prepared to provide the cash needed to launch it.

A Labour newspaper has long been the cherished wish of the union movement, which sees the present national press as largely hostile to the Labour Party and unions. However, some senior union leaders believe that the movement does not have sufficient funds to launch a newspaper, with a projected initial circulation of 300,000.

Over the next four weeks unions will have a chance to study a report by Lord McCarthy which proposes the launch of the 32-page newspaper costing 18p which would have a full-time staff of about 230. It would be along the lines of *The Sun* or *Daily Mail*, but would reflect the views of the Labour movement.

The McCarthy report proposes that the newspaper could be produced at a commercial printer's near London. There would be a journalist staff of about forty and the annual running costs would be about £13.3m.

Lord McCarthy has suggested that with a circulation of 300,000 the paper would make a small profit, but an increase to 500,000 could produce an annual profit of up to £6.4m. As a first step toward the launch of the newspaper, the report suggests the establishment by the TUC of a Labour Newspaper Trust, but it is not optimistic that the trust could raise all the necessary finance through loans. It would be more likely that unions would buy equity stakes in the newspaper whose editor would answer to the general secretaries of the TUC and Labour Party.

Members of the TUC finance and general purposes committee, the "inner cabinet", yesterday received Lord McCarthy's report and decided to seek the views of all unions in time for the next meeting in July. They will then decide whether to recommend the launch of the paper to the TUC annual conference.

Members of the committee were sceptical that the £6.7m launch costs could be raised by unions, many of which are suffering financial difficulties

Closed shop victims get payments

By John Withrow

The Government has paid £261,086, an average of £4,835 each, to 54 people who lost their jobs between 1974 and 1980 for refusing to join a trade union.

Figures released yesterday by the Department of Employment show that more than 400 people have so far applied for compensation under a scheme introduced with the Employment Act, 1982.

Of those, 207 were found eligible and a total of £261,086 paid out to 54 after the department assessed their claims. The highest payment was £10,659.

More payments are expected in the next few months as a second round of advertising this week brings forward those not yet traced.

Compensation is available to those dismissed because of a closed shop without a legal remedy, while the 1974 and 1976 closed shop laws were in force. They must have held the job before the closed shop was introduced or had a genuine conscientious objection to joining a trade union.

Mr Norman Tebbit, Secretary of State for Employment, said yesterday: "It is encouraging to have been able to find so many of these people and put right the injustices of the closed shop as it affected them during those years."

The Government had published a new code of practice which made clear that closed shops would be tolerated only where they had the support of the overwhelming majority of their members, he said.

Calvi ready to make big deal, widow says

By John Withrow

The widow of Roberto Calvi told an inquest yesterday that two days before the Italian banker was found dead in London he had said he was about to complete a deal which could make him "the most important man in Italy".

Signora Clara Calvi said that she had spoken to her husband on the telephone on June 16 last year, two days before he was found hanging on scaffolding under Blackfriars Bridge.

"He said the deal is going on but we are having a lot of troubles. He was trying to do a deal, a very important deal which if it went right, he could be the most important man in Italy," she added.

She added: "It is blowing up. It is crazy. It will change all our lives. He was very happy."

Signora Calvi, who gave her address as Nassau, said that her husband had been fearful of his life after he was jailed in 1981 for currency offences. The family was told by the Italian chief of police that their lives were in danger.

Signor Calvi, president of the Banco Ambrosiano, was sentenced to four years for currency offences and fined £7m. His appeal was due to be heard a few days before he died.

An inquest last year ruled that he had committed suicide, but this was quashed by the High Court on appeal by his family, who say he was murdered.

He told his family to leave Italy, Signora Calvi added, because he was afraid they might be kidnapped to put pressure on him. His fears were heightened when the vice-president of the bank was shot and wounded.

She said that her husband had between nine and 10 bodyguards in Milan, four in Rome, and a police escort when they visited their country home at week-ends.

Signora Calvi moved later to the United States, and her daughter went to Switzerland.

Dr Arthur Gordon Davies, the coroner, asked her about a suicide attempt Signor Calvi had made in jail. She said that it was not serious.

Signora Calvi confirmed that she knew about a life insurance policy of \$3m for her husband which would be invalid if a suicide verdict was returned.

Signora Laura Concas, the second mistress of Signor Flavio Carboni, a business associate of Signor Calvi's, to give evidence, said that she had told his wife late on June 18, of Signor Calvi's death after it was announced on Italian television. "He remained at first silent, and then, there was astonishment."

She said she was aware that Signor Carboni was one of those charged with the attempted murder of the vice president of Banco Ambrosiano, and that he had powerful friends in political, Masonic, and banking circles.

Mr George Carman, QC, for the Calvi family has maintained that Signor Carboni was aware of the plan to murder the banker.

The inquest continues today.

Labour leadership Bill resurrected

By Julia Harland, Political Editor

A fresh attempt is to be made in Parliament to amend the Trade Union Act, 1913, to encourage trade unions to consult their members more widely on the choice of the next leader of the Labour Party.

Mr Jeff Rooker, an Opposition front bench spokesman on social security, is to reintroduce a Bill that he has twice before brought before Parliament, which would amend a trade union branch ballot to be confined only to those union members who paid the political levy.

At present that is against the law and the most commonly cited reason why unions do not hold ballots on the leadership is that such a proceeding would give a say in the election to union members who belong to the Conservative, Communist, or other parties.

Mr Rooker said yesterday that his constituents who were members of the National Union of Public Employees had the right to a ballot and others should be afforded the same right. "There can be no justification for the 50 odd varieties of trade union democracy on the central task of electing our leaders: the same system should be used by all."

Mr Rooker wrote last year to each of the 51 trade unions affiliated to the Labour Party. Only 12 replied, of which only three gave his Bill unqualified support. Naps, the National Union of Mineworkers and the Amalgamated Textile Workers Union.

Several objected on the grounds of the cost of any postal ballot, which they feared - the Certification Officer might order, and the latest draft of the Bill meets that objection by specifying that postal ballots should not be used.

The executive council of the Union of Shop, Distributive and Allied Workers (USDAW) decided yesterday to nominate Mr Neil Kinnock for the Labour Party leadership and Mr Roy Hattersley as his deputy.

Bride who killed gets 'life'

By John Withrow

A woman was jailed for life yesterday for murdering her "sugar daddy" husband 24 hours after their wedding.

Janet Clarke, aged 32, and her brother Philip Huddleston, aged 25, were both found guilty of murdering Mr Harry Clarke, aged 63. Huddleston was also jailed for life by Mr Justice Bristow at Birmingham Crown Court.

The court was told that Mr Clarke was the victim of a "frigid" stabbing in May last year at a house in Birmingham shared by the defendants.

Mr Douglas Draycott, QC, for the prosecution, said that Huddleston and Clarke, a member of four, decided that they should marry Mr Clarke, a widower regarded as their "sugar daddy" for several years, to obtain his "fortune" of £17,000.

The study, prepared by Transport and Environment Studies (Tes), a London company which has previously done work for London Transport, the Department of the Environment, and the World Bank, says that the Serpell options, including the closure of up to 84 per cent of the railway network, and argues instead that investment would lead to increased efficiency.

Mr Harley Sherlock, chairman of Transport 2,000, said he would be seeing a meeting with Mr Tom King, Secretary of State for Transport, to discuss the document.

Investing in British Rail (available from Transport 2,000, 258 Pentonville Road, London, N1 9JY; £5 plus 50p postage).

SDP to get public money for parliamentary work

By John Winder

The Social Democratic Party will, as a result of the General Election, be able to finance some of its parliamentary activity for the first time with money paid from public funds.

The party has been able to claim rather more than £45,000 a year from the financial assistance to opposition parties covered by a resolution of the Commons on March 20, 1975.

Because of the basis of calculation the Liberals will get a good deal more than their allies, who received popular support approaching theirs, but did not gain a proportionate number of seats. They may be able to claim about £63,000.

The sums paid - and all the money must be spent for parliamentary work - are based on £1,080 a year for each MP elected and £2.16 a year for 200 votes cast for the party in the country, since the latest amendment of the original motion to take care of inflation.

Add the Liberal and SDP votes together and you fall less than a million short of the

Student admits spitting at PM

By John Winder

Peter Hancock, a student, aged 18, who spat at Mrs Margaret Thatcher during a rally on June 8, apologized yesterday to magistrates in Salisbury, Wiltshire.

Hancock, of Hillside Drive, East Gomeldon, Wiltshire, was conditionally discharged for a year after admitting using threatening and insulting behaviour likely to cause a breach of the peace in Guildhall Square, Salisbury.

Reggie Peterson, the Broadwood resident demonstrating on the hospital roof, has caused thousands of pounds' worth of damage to the roof of his top-security Mock Peterson, aged 33, escaped from an exercise yard and during Sunday began a systematic destruction of the roof, ripping away hundreds of tiles.

With nomination for him from all the other five SDP MPs Dr Owen was last night certain to be unopposed since only MPs may stand for election as party leader.

Mr John Cartwright, MP for Woolwich, seems equally certain to be returned unopposed as the party's whip in the Commons.



Home at last: The Royal Navy's Sea Harrier, which was forced to land on the Spanish freighter Alraigo, being unloaded from the tanker British Tay at Portland, Dorset, yesterday. The tanker had been chartered by the Ministry of Defence to bring home the Harrier from the Canary Islands during a Nato exercise.

Coal board renews pressure to close 'uneconomic' pits

By David Felton, Labour Correspondent

Sir Norman Siddall, chairman of the National Coal Board yesterday renewed the pressure on the miners' union to accept the inevitability of uneconomic pits being closed. On Thursday, miners' leaders are to meet to decide how to oppose threatened job cuts.

The coal board has told the National Union of Mineworkers (NUM), whose executive will meet in Sheffield, that 65,000 pit jobs are at risk over the next five years as the board seeks to reach its break-even target.

Sir Norman, who was speaking yesterday in the Midlands, said: "We have to get out of Victorian holes in the ground that lose money hand over fist and concentrate on modern pits producing cheaper coal, high wages, and a secure future for coming mining generations."

Meanwhile, Mr Arthur Scargill, NUM president, said in Yorkshire that the board had set older men. Transferred men generally find better mining conditions.

"Too much emphasis is placed on saving old, worn-out mines and too little mention is made of the opportunities for reworking work in the new", he said at the official opening of the new £36m drift mine at Dew Mill colliery, Warwickshire.

The board has said that it is heading for a £185m loss this year and will need to lose 12,000 jobs if present policies are continued and there is no appreciable up-turn in demand about 65,000 jobs will have to disappear over the next five years.

Miners at Cardowan colliery who walked out on Friday after allegations that the coal board was trying to accelerate closure of the pit, returned to work yesterday.

£3,900m rescue plan proposed for railways

By David Felton, Labour Correspondent

A £3,900m railways rescue plan involving reopening 100 stations, more electrification, and faster trains would put British Rail into profit by the early part of the next century, according to a study published yesterday.

Transport 2,000, a pressure group of environmentalists, trade unionists, and public transport users, rejects the Serpell report, which suggested the closure of up to 84 per cent of the railway network, and argues instead that investment would lead to increased efficiency.

Mr Harley Sherlock, chairman of Transport 2,000, said he would be seeing a meeting with Mr Tom King, Secretary of State for Transport, to discuss the document.

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Art historian leaves £4m death duty bill

By Geraldine Norman, Sale Room Correspondent

Lord Clark, the art historian who was director of the National Gallery at the age of 30 and became an internationally beloved figure in his sixties for his *Civilization* television series, has left his family a £4m tax problem. Lord Clark died last month aged 79.

Mr Alan Clark, his son and a government junior minister, said that some of his father's art collection might have to be sold to pay death duties.

The collection has been little exhibited and art historians are unsure of what it contains.

Among his bequests is a Bellini painting of *The Virgin and Child*, valued by Christie's at £1m, which goes to the Ashmolean Museum in Oxford. Medieval manuscripts have been left to Youk and a group of Henry Moore drawings to the British Museum.

Drugs policy 'threat to new cancer cure'

By Pat Healy, Social Services Correspondent

Hopes for a cure for ovarian and testicular cancers were raised yesterday as a clash broke out about Britain's drug policy.

Scientists at the Institute of Cancer Research laboratories in Sutton, Surrey, described their new discovery as "exciting and hopeful" after trials on about 250 cancer patients.

However, Mr George Teeling Smith, director of the Office of Health Economics (OHE), claimed that political pressure for a cheap drugs policy in Britain could set back the research by pharmaceutical companies who were on the verge of a breakthrough.

Mrs Gwyneth Durwoody, the opposing spokesman on health, condemned the OHE for resorting to "the kind of scare tactics" that showed the weakness of the industry's case.

The institute's announcement came yesterday at the opening of new laboratories in Sutton, where the new treatment has been developed during the past three years. Dr Kenneth Harrop, head of the institute's drug development section, said it was a derivative of the established drug cisplatin, which has been in use for more than 10 years.

"We cannot say yet that it is a cure", Dr Harrop said. "But it looks hopeful and it is one of the best developments yet in cancer research."

The derivative, known as CBDCA, is now undergoing clinical trials in Britain, Europe, and America.

Mr Teeling Smith claimed in a report yesterday that cancer could become a scourge of the past in the next 20 years, in the same way as tuberculosis and scarlet fever. However, a switch to a cheap drugs policy, as politicians had urged, could only save the health service drugs bill at the expense of research budgets.

His report claimed that other developments could produce new drugs to control diseases such as teenage diabetes, multiple sclerosis, Parkinson's disease, and rheumatoid arthritis by the end of the century.

Those developments could be delayed if Britain switched from expensive brand name drugs to generic prescribing, as politicians had urged in the hope of saving between £200m and £300m from the health service drugs bill.

Mrs Durwoody said the real purpose of the report was that the promise of new wonder drugs would be delayed if the Government allowed the health service to save money by buying cheaper drugs.

Science report: Bugs, pain and the leg-losing spiders

By the Staff of Nature

Some chance observations of the startling reaction of American web-building spiders to the sting of a bug have raised the question of whether spiders feel pain.

The observations were made by Dr Thomas Eisner and Dr Scott Camazine, of Cornell University, in the state of New York. While studying the behaviour of the spiders in the wild, they noticed a stinging ambush bug, *Phymata fasciata*, fly into a web.

The spider rushed up to the struggling bug, which hit it on the leg. The spider at first resisted motionless and then suddenly jerked the leg and rushed back to the centre of the web, leaving the phymatid bug holding the severed limb.

Dr Eisner and Dr Camazine then experimentally released phymatid bugs directly into the spiders' webs and observed another seven instances in which the bug managed to bite the spider. Of those seven bites, six caused a spider to lose a leg.

In the one case where the spider failed to shed its limb, the animal died within a few minutes of being bitten.

Transferring their experiments to the laboratory, Dr Eisner and Dr Camazine showed that it was not enough for the insect simply to probe the spider's leg with its proboscis, nor for the leg to be punctured with a needle, for the limb to be cast off.

The venom had to be injected into the leg joint. If the venom was injected in such a way that it spread throughout the body, the spiders invariably died.

For lack of sufficient phymatid bugs, Dr Eisner and Dr Camazine turned to the essentially similar venom of bees to find out exactly which components caused spiders to jettison a leg.

Of nine ingredients of the bee venom, four caused leg loss. The fact that three of those are among the constituents of bee venom that caused a sensation of pain when injected into humans led Dr Eisner and Dr Camazine to write: "What is remarkable is that there should even be substantial overlap in the pharmacological spectrum of what induces pain in us and what acts as if it were painful to arthropods (the spider)".

Source: Proceedings of the National Academy of Sciences of the USA, (vol 80, page 3,382) June 1983.

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Tuscan fountain boy fetches £194,400

By Geraldine Norman, Sale Room Correspondent

"It is still wide open who it is by", Mr Howard Ricketts, the London dealer, commented after he had paid £194,000 for a late fifteenth or early sixteenth-century Tuscan bronze at Christie's yesterday. The auctioneers had been suggesting a price of more than £100,000.

Mr Ricketts' expertise lies in research and the detective work that can provide a revealing historic context for a great work of art.

He would not comment on whether he had been acting yesterday on his own account or that of a client. It is "very complicated and slightly vague", he said.

The bronze depicts a winged putto, or young boy, and stands just over two feet high. He comes from a fountain and his cheeks are puffed out to squirt water.

It was recently recognized in the Muncaster Castle collection covered in black lacquer. When the lacquer was removed it revealed sparkling gilding which looks particularly fine on the delicately rendered feathers.

The sale of sculpture and works of art at Christie's was otherwise pretty in its results. There was a total of £347,716 with 23 per cent left unsold.

A South German bronze group of Hercules and the Nemean lion, dating from about 1500 and 23cm high, sold for £27,000. An early seventeenth-century pair of German bronzes of a seated bear and hound, 30cm high, sold for £23,750.

At Sotheby's a sale of fine Oriental manuscripts and miniatures yesterday went for a total of £256,734 with less than 3 per cent unsold.

A fine sixteenth-century Mughal drawing of "two fighting water-buffaloes charging at each other restrained by attendants", sold for £82,500 (estimate £12,000 to £18,000) to an unnamed New York gallery. The drawing is attributed to Farrukh Chela, one of the most important artists working at the Mughal court towards the end of Akbar's reign.

A fifteenth-century Ethiopian manuscript on vellum of the Psalms and other texts, including 37 miniatures, sold for £37,400 (estimate £3,000 to £5,000) to an European private collector and an illuminated Ottoman firman, dated 1575, fetched £17,600 (estimate £3,000 to £5,000) to Eyre and Hobhouse.

A new auction price record was set for nineteenth-century porcelain at a Sotheby's sale in New York on Saturday when a pair of Viennese vases, decorated with a "Bacchante" sold for \$121,000 or £78,424.

A way to stop nuclear attacks

By Rodney Cowton, Defence Correspondent

"If the West abandons its technology lead in a bid to compete in the nuclear arms race it could have disastrous effects on the future overall East-West power balance."

"Such is the speed of technological advance that it is not inconceivable that, if major funding and manpower effort were put into the exploitation of this technology, by the end of this century electronic systems could render a nuclear attack by an unfriendly power virtually impossible."

Mr Raggatt continues: "Recent evidence has shown a great increase in illegal dealing."

Of the Falklands operation, Mr Raggatt says that, on the whole, communications were good, although there were inevitably problems.

Shipboard information storage and processing centres were found to be too small to handle the high volume of information and increased number of personnel on watch. A total of more than 250,000 messages were handled and the backlog sometimes exceeded 1,000 messages.

Fleet communications security was judged to be poor, with Argentina able to keep track of British positions through interception.

While Britain got away with the inadequacies of its communications systems during the Falklands campaign, Mr Raggatt says, in a European-based campaign involving Nato allies systems would be extremely vulnerable in their present state of evolution and incompatibility.

Janet's Military Communications 1983 Jane's Publishing Company, London: £55.

Labour MEPs may resign

By Patricia Clough

The three Labour members of the European Parliament who won Westminster seats in the general election have offered to resign their European mandates if the party thinks fit.

The Labour Party national executive now has to decide whether to accept and bring on three European by-elections. Alternatively, it could allow the three to go against the party's declared policy and hold the dual mandates until the European elections in June next year. The Conservatives do not object to dual mandates.

Mr Roland Boyes, MEP for Durham, and now MP for Houghton and Washington, said in Brussels yesterday: "I have written to the national agent, David Hughes, telling him my resignation is in your hands."

"Nothing is going to happen before the summer and elec-

Roach
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Heat

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Colin Roach shot himself, inquest jury decides by an eight to two majority

By Nicholas Timmins

Colin Roach, the black youth who died, aged 21, from shotgun wounds in the entrance to Stoke Newington police station, north London, in January, committed suicide, the jury in the inquest on his death decided yesterday.

The jury, which included five black people, reached the decision by a majority of eight to two at Clerkenwell county court. A female juror wept as the black foreman of the jury announced the decision.

He told the jury that the evidence he had heard "does not convince me that anybody was involved other than the deceased himself".

Background of tension

Youth's death used to fuel mistrust of the police

The inquest verdict that Colin Roach took his own life should, but probably will not, settle the issue.

not told of his son's death until 3 am and that the police refused to show him the body, called him a liar, and insisted on talking a statement while he was weeping.

through the support committee that has received £7,500 in grants from the GLC and Hackney Council, were less than honest with those who marched with them about the state of Colin Roach's mind in the fortnight before he died.



Royal wink: Prince William, who is a year old today, and has stayed at home while the Prince and Princess of Wales are touring Canada.

Neighbours in tree wrangle

Mr John Swinglehurst told the High Court yesterday that the felling of a 40ft tree in the back garden of his home in Kensington, west London, had cost £10,000 from the value of his house, valued at £300,000.

State schools trail in university places

The great majority of girls and boys leaving independent schools go on to higher education in contrast with pupils from the state sector, according to a survey published today.

Home video users face prosecution over copies

Twentieth Century Fox is planning to launch private prosecutions against any home video users who handle pirate versions of its new film *Return of the Jedi*.

Napley fee challenge is lost by council

West Yorkshire County Council failed yesterday to win the right to examine and challenge the bill submitted by Sir David Napley, the solicitor for his work last year in the Helen Smith inquest.



Sir David Napley: Bill sent to coroner.



Colin Roach: Suicide while seriously disturbed.



Mr James Roach: Allegations after son's suicide.

Three jailed after woman was buried in secret

Three women who were jailed at Birmingham Crown Court yesterday were told by Mr Justice Bush that what they did with the body of a woman aged 80, the mother of one of the defendants, was "offensive to ordinary decent people".

Firemen praise air lance for quicksand rescues

A device developed by a fireman for quicksand rescues was hailed as a life saver yesterday and fire officers now believe that it should be used by all crews in coastal stations.

Heart man dies at Papworth

Mr Andrew Paterson, who underwent two heart transplants, died on Sunday night at Papworth Hospital, Cambridge.

Bridge bouncer 'not nuisance'

Father Christmas left court yesterday claiming a victory for the Dangerous Sports Club after he was prosecuted for jumping off the Clifton suspension bridge in Bristol attached to a rubber rope.

Advertisement for Beck's beer featuring a bottle and the text "Time is our secret" and "Beck's Lager".

Theatres applaud computers

After waiting in the wings for a decade and a half, computers are beginning to play a significant role in rejuvenating British theatre.

Father fined over birth

A student aged 29 was fined £100 yesterday for attending the birth of his son without qualified medical supervision.

Murder charge

Mr Stuart Brown Dransfield, aged 45, a company director, of Field House, Green Road, Dodworth, near Barnsley, husband of a woman whose hooded and naked body was recovered from the River Trent, was charged at Barnsley Magistrates Court yesterday with the murder of Mrs Paula Dransfield on June 10 and was remanded in custody until next Tuesday.

Advertisement for Sheraton Park Tower 1983, celebrating its tenth birthday. It features a large image of the building and text: "As the Park Tower is 10 today, we'd like to thank all the people who, over the years, have paid us a visit. Many happy returns."

Arafat turns his venom on Libya for backing rebels

From Robert Fisk, Beirut

The Revolutionary Council of Fatah, the main Palestine Liberation Organization guerrilla movement, was to meet late last night to consider the mutiny against Mr Yasser Arafat's leadership.

Mr Arafat himself emerged yesterday from a meeting in Damascus of his Central Council with his confidence apparently undented but with some venomous words about the Arab nations - especially Libya - which he claims are backing the Palestinian rebels.

"It is very serious", he said as he came out of the meeting, dressed in a khaki battledress but evidently vexed and tired. "It means that the Arab intervention is no longer limited to material support (for the mutineers) but has been translated into action as well". He blamed Libya openly for the mutiny but avoided mentioning the country whom his colleagues privately blame for the dissenation - Syria.

Although three of the PLO groups which backed the rebels - the Popular Front for the Liberation of Palestine, the Democratic Front for the Liberation of Palestine and the Palestine Liberation Front - were represented at the Fatah council meeting, Mr Arafat insisted that he retained the support of his guerrillas.

"I know how strong the platform beneath me is", he said. "I am the chairman for the Palestine Liberation Organization, the sole representative of the Palestine People. I am the commander-in-chief of the Palestinian forces and it is my duty to fight and struggle to preserve the independence of the Palestinian decision."

Mr Arafat is as anxious as ever to demonstrate that he has behind him not only the

support of the Soviet Union but of the radical Arab Nations - excluding Libya and Syria - which the rebels have claimed as allies. The PLO chairman made a point of advertising the fact that a South Yemeni diplomat had attended the Central Council meeting early yesterday morning and had given the support of President Ali Nasser Mohabed to Mr Arafat's leadership of the PLO.

Mr Arafat's opponents, however, are clearly still intent on causing him the maximum embarrassment. Yesterday afternoon Mr Fadl Shrourou, the official spokesman for the PFLP General Command, denied that any attempt had been made over the weekend to assassinate Colonel Ezzedine Sherif (Abu Ziad), one of Mr Arafat's senior commanders. Colonel Sherif, Mr Shrourou said, was wounded while attacking PLO dissidents outside Damascus, one of whom was murdered by Mr Arafat's forces.

In Beirut yesterday, the Lebanese authorities detained two senior PLO men who worked at the Palestine Research Centre, the PLO's information bureau in the city which has been maintained with the permission of the Government here ever since the Palestinian guerrilla evacuation last summer.

Local newspapers speculated that the arrests were connected with the bomb explosion in a car on Saturday night in which two Palestinians were killed.

● **Jeep ambushed:** Two Syrian colonels and a soldier were killed when gunmen opened fire on their jeep near Tripoli, north Lebanon, Reuters reports. Beirut radio said Syrian troops immediately blocked roads and intermittent shooting could be heard.



Fire panic: Several young people were injured at the closing ceremony of the World Youth Cup football competition in Mexico City when a firework ignited more than 100 gas-filled balloons. Match report, page 25.

González looks to Washington for help

From Richard Wigg Madrid

Señor Felipe González, the Spanish Prime Minister, arrived in Washington yesterday on the most important foreign trip of his first six months in office.

The talks with President Reagan and his senior advisers are an important boost to the international status of Spain's new generation of pragmatic socialists led by Señor González.

There are, however, evident dangers for both parties if either seeks to press too hard for ideological reasons, overlooking the other partner's perceived national interests.

Señor González and President Reagan may both be born communicators, but for the American President to insist on clarification of ambiguities about Spain's military integration into Nato may prove as counter-productive, especially on the Spanish domestic scene, as for the young Prime Minister to restate his demand for the United States to abandon its "negative" leadership role in Central America.

Señor González is also taking Señor Miguel Boyer, the Economics and Finance Minister, with him. More help and understanding from the Reagan Administration for Spain's acute economic problems, symbolized by a worsening trade deficit and a plummeting peseta, is one of the hoped-for tangible benefits from the four-day trip.

Señor González's realism about the United States' world leadership role starts from an awareness of its crucial importance to Spain's economy.

Before his departure, government sources here played down any disagreements over Central America. They understand that, whatever Señor González's advice the Reagan Administration is not really prepared to downgrade its involvement.

Spanish officials emphasized the need for good bilateral relations; they even hired the services of a New York public relations consultant in preparation for the visit.

Señor González can remind Mr Reagan that his administration has bought 72 American-made F16 fighter-bombers; secured rapid parliamentary approval for the US bases agreement; endorsed the Nato "twin track" decision on Euro-missiles and postponed a promised referendum on continued membership of Nato, probably until 1985.

He could point out to the Americans that all the public opinion polls show a popular majority in favour of quitting Nato.

The Prime Minister could also tell the Reagan Administration that the Stuttgart summit has not helped him to assemble an eventual EEC plus Nato package to put to the country by committing itself to a date for concluding Spain's EEC entry negotiations.

Rock's defences worry Nato

By Rodney Cowton, Defence Correspondent

Serious concern about Britain's neglect of the defence of Gibraltar is leading military leaders to hope that Spain may be able to improve the defences of the surrounding area.

Sources on Nato's southern flank criticize the lack of surveillance radar, missiles and guns, and the inadequate number of aircraft on Gibraltar, which could command the strategically important Straits.

Generally there is a feeling that Britain is failing to make adequate use of the defensive potential of the Rock, for example for storage of ammunition and other supplies.

There is also concern about the prospects of the dockyard being privatized, and in particular there is a fear that a civilian-owned dockyard would not be able to continue the present facility for providing maintenance of hunter-killer nuclear submarines, though it is said this could be preserved at the cost of a few hundred thousand pounds a year.

At the Naples headquarters of Allied Forces Southern Europe, Lieutenant-General James Thompson, Chief of Staff, said Britain had under-utilized the defence potential of Gibraltar.

Negotiations are taking place at the highest level which are expected to lead to Spain joining the integrated military command structure after its accession to Nato last year.

Precisely what role Spain will assume remains to be determined, but General Thompson said that any contribution that Spain could make on Nato's southern front would be welcome.

Any prospect of Spain, as part of Nato, becoming heavily involved in defence of the Straits of Gibraltar, would inevitably become mixed up with the argument between Britain and Spain over the sovereignty of the Rock.

The concern about Gibraltar and the surrounding waters is reinforced by the fact that the main role of the US Sixth Fleet is seen as being in the eastern Mediterranean, where the naval forces of Italy, Greece and Turkey are also concentrated.

This leaves cover by surface naval forces in the western Mediterranean relatively sparse.

Thatcher 'given 1984 Hongkong deadline'

By Henry Stanhope Diplomatic Correspondent

The Foreign and Commonwealth Office last night refused to confirm a report that China had given Britain until the end of next year to reach agreement over the future of Hongkong.

The report in *Newsweek* magazine said that Mr Deng Xiaoping, the Chinese leader, had warned Mrs Margaret Thatcher that "China will announce its own solution" unless Britain meets the deadline.

The same report quoted reliable sources in London as saying that the Foreign Office had given up hope of retaining even Titular sovereignty over the colony.

A statement by the Hongkong Government yesterday said: "We know of no basis for the views attributed in this report to the Foreign and Commonwealth Office. HMG's aim is to seek a solution to the question of the future which is acceptable not only to the British and Chinese governments but also the people of Hongkong."

The threat of a December, 1984, deadline was apparently revealed by Mr Hu Yaobang, the Chinese party general secretary in an interview with *Newsweek*.

Mr Xu Jiatun, China's new chief representative in Hongkong has placed "very liberal" policies after Peking regains sovereignty over the colony in the 1990s.

The New China news agency quoted him as saying that Peking's policies "will respect both history and reality. Our specific policies will be very liberal." He was addressing the National People's Congress.

Talks between British and Chinese officials opened in Peking after Mrs Thatcher visited China and Hongkong last September, since when they have been surrounded by rumours.

British diplomats last night were anxiously emphasizing the need to keep the discussions confidential. "Private diplomacy" was the name of the game, according to one source.

He added that China was pledged to maintain Hongkong's thriving commerce, an aim which could not be achieved by anything other than a mutually acceptable treaty.

US wants Russia to buy more grain

Moscow - Soviet and American officials have begun two days of talks on a new long-term grain agreement.

The current agreement runs out at the end of September, and commits the Soviet Union to buying six million tonnes of grain a year, with an option on a further two million, Richard Owen writes.

The Reagan Administration has indicated it would like the Russians to set a higher import figure in future.

Russia has had four poor harvests in a row and grain statistics are no longer good. The latest Western estimates suggest that this year's harvest will leave a 30-million tonne shortfall, an improvement on last year's figure of 180 million tonnes.

Tennis star on Mitterrand tour

Paris - President Mitterrand yesterday began an official two-day visit to the former French West African colony of Cameroon, accompanied at his own request by Yannick Noah, the Cameroon-born tennis star, who now has French citizenship, Diana Geddes writes.

It is Mitterrand's fourth official visit to black Africa since his election two years ago. Trade will be one of the main topics between Mitterrand and President Paul Biya.

Malta judge frees Briton

Valletta - A Maltese magistrate ruled yesterday that the detention of Mr Anthony Price, a Welshman aged 20, convicted of illegal entry and ordered his immediate release.

Mr Price had been held without charge since April 13, on suspicion of plotting to kill a Cabinet minister.

Mauritius poll

Port Louis (AFP) - General elections will take place in Mauritius on August 21, four years ahead of schedule, Mr Annerood Jaganath, the Prime Minister, announced. After a year in power, the Prime Minister no longer had a parliamentary majority.

Mutiny quelled

Loyalist Ghanaian troops have quelled a mutiny by dissident soldiers, sealed the country's borders and taken control of all strategic points, according to Flight Lieutenant Jerry Rawlings, Ghana's ruler, in a radio report monitored in London, Reuters reports.

Opium seized

Bangkok - More than 300 kilograms of opium were seized here in one of Thailand's largest drug hauls. Policed said the opium was destined for Malaysia for processing into heroin.

Atom pilot dies

Robert Lewis, co-pilot of the B29 bomber that dropped the first atomic bomb, who has died of a heart attack, aged 65. The bomber, Enola Gay, was used to destroy Hiroshima 38 years ago. The photograph was taken in 1945.

Shuttle turned into space laboratory

The space shuttle Challenger became a space laboratory yesterday when the crew switched on most of the 21 experiments on board, a pioneering step towards the eventual building of a space station.

American industry and scientific bodies are increasingly interested in carrying out research and manufacturing processes in the unpolled, weightless vacuum conditions of space. The experiments on board Challenger involve metals, crystals and drugs.

Two communications satellites, for Canada and Indonesia, have already been launched.

Challenger and the crew, on the seventh shuttle flight of the present programme, are performing "exceptionally well" according to mission control.

It will be the first shuttle landing there, and this will help to save the time and money involved in transporting the spacecraft from the usual landing place in California to Florida.

Ten Bahai women hanged in Shiraz

Ten Iranian women of the Bahai faith were hanged in secret in the city of Shiraz on Saturday, Bahai sources in London learnt. They were aged from 18 to 54 and included a mother and daughter.

Two days earlier, six Bahai men were similarly executed in Shiraz. The 16 victims were of a group of 22 Bahais condemned to death in February and under pressure since then to renounce their faith and embrace Islam.

The pressure consisted of four long interrogation sessions including beatings, relief from which could be gained only by signing prepared statements. Apparently, none of the 22 succumbed.

Banked protection money led to Camorra arrests

Most shops in Naples had to pay monthly protection money to the Camorra gang of Don Raffaele Cutolo, according to the investigators who last week mounted the biggest round-up of underworld figures since the Second World War netting nearly 300 alleged members of the Neapolitan version of the Mafia.

The magistrates directing the operation are reported to be studying a list of 26,000 shopkeepers, businessmen, professional men and artisans who were expected to make a "voluntary contribution" each month to the Nuovo Camorra Organizzata (New Organized Camorra), as the Cutolo organization was called.

The country-wide round-up, which led to the arrest among others of a leading television personality and the president of the first-division Avelino Football Club, was ordered after examination of the accounts of 98 firms, of 1,400 individual bank accounts, and of suspicious payments totalling 3,500 billion lire (£1,520m) deposited with banks in the Naples area between 1980 and 1982.

Though the press has spoken of 356 arrest warrants, the Naples authorities say the number is nearer 900, while they have issued notifications to a further unspecified number of people that they are under investigation.

Two Turkish magistrates yesterday ended a week of questioning Mehmet Ali Agca, the Turk who tried to kill the Pope in St Peter's Square two years ago. They received permission to interrogate him about the earlier murder of a Turkish journalist, Abdi Ipekci, in Istanbul, for which a Turkish court condemned Agca to life imprisonment.

Man in the news

'Shakespeare' to Israel's leader

From Our Own Correspondent, Jerusalem

The selection of Mr Yehuda Avner as the next Israeli Ambassador to Britain is seen as a classic compromise designed to save diplomatic face and overcome the main obstacles which have delayed the filling of this key European vacancy for over a year.

One of his first tasks will be to try to patch up the severe differences in Anglo-Israeli relations, which have deteriorated sharply since the shooting of Mr Shimon Arzov last June. The causes of the decline have been Britain's hostility to the war in Lebanon and Israeli suspicions about the Foreign Office's attitude to the Palestine Liberation Organization.



Mr Avner: The pride of Manchester with a brief spell on a Galilee kibbutz.

In 1961 Mr Avner joined the Foreign Ministry and first came to Mr Rabin's attention while serving as consul for information in New York. In 1974, after a spell heading the Overseas Press Bureau (then part of the Foreign Ministry), he was seconded as Adviser on Diaspora Affairs when Mr Rabin became Israel's fifth Prime Minister.

It is a job Mr Avner has held ever since. As well as keeping close contact with Jewish communities abroad, he has rapidly moved into the position of one of Mr Rabin's most trusted advisers. He is noted for his good contacts inside a right-wing Government which is well known for its suspicion of any Foreign Ministry staff favoured by the previous Labour administration.

● **Proud family:** Mr Avner is the youngest member of an Orthodox and strongly Zionist Manchester Jewish family, but the only one of seven children to emigrate to Israel. (David Nicholson-Lord writes). Yesterday his family and the Manchester Jewish community described themselves as "tremendously proud" of him.

He was educated at a local elementary school and Manchester Central High School, excelling at English and teaching himself to play the recorder and violin.

Begin faces election threat

From Christopher Walker, Jerusalem

The death on Sunday of Mr Simcha Erlich, the Deputy Prime Minister and leader of the Liberal Party, from a stroke, has led to renewed suggestions that the next general election may have to be brought forward from its scheduled date of 1985.

Mr Erlich was a leading member of Mr Menachem Begin's coalition.

The immediate threat to the stability of the coalition comes from the bitter election battle expected to break out inside the badly fragmented Liberal Party, which Mr Erlich held together with considerable skill from 1971 until his death.

In an attempt to stave off trouble between the various

The strikes are taking place in 23 Israeli hospitals. The entire medical system again faces collapse as many of the doctors become too weak to carry out even the limited rotas.

Apart from the effect on public opinion, the dispute has also exposed some of the bitterest divisions inside the Cabinet. After disagreements between Mr Yoram Aridor, the Finance Minister, and Mr Eliazur Shostak, the Health Minister, at Sunday's Cabinet session, Mr Begin is reported to have remarked: "There is no understanding between the two men in charge. This is a tragedy, pure and simple."

Israel's economy, page 5

Banked protection money led to Camorra arrests

From John Earle, Rome

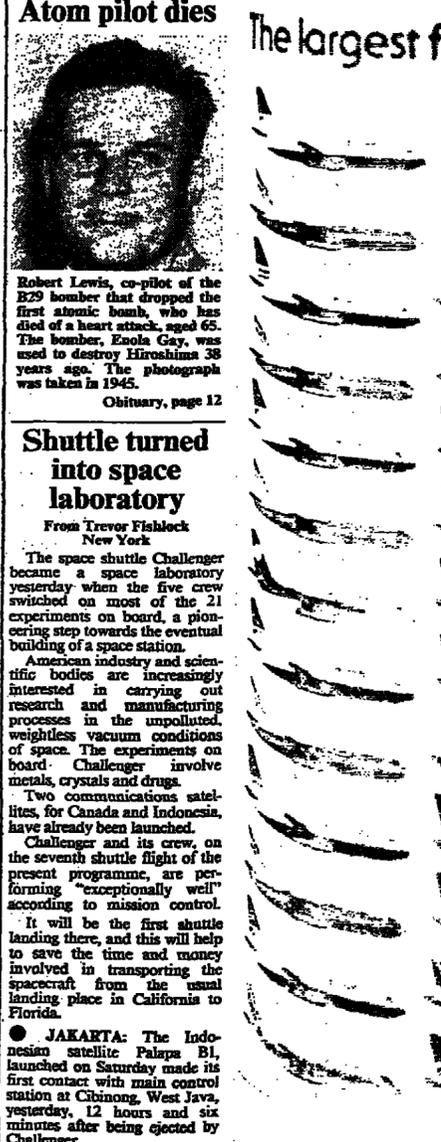
Most shops in Naples had to pay monthly protection money to the Camorra gang of Don Raffaele Cutolo, according to the investigators who last week mounted the biggest round-up of underworld figures since the Second World War netting nearly 300 alleged members of the Neapolitan version of the Mafia.

The magistrates directing the operation are reported to be studying a list of 26,000 shopkeepers, businessmen, professional men and artisans who were expected to make a "voluntary contribution" each month to the Nuovo Camorra Organizzata (New Organized Camorra), as the Cutolo organization was called.

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1520 من الاموال

Prisoners of conscience



Russia: Father Gleb Yakunin

By Caroline Moorehead

Father Gleb Yakunin, a priest of the Russian Orthodox Church, has been held in labour colony 389/37 in Perm since March, 1981, serving a five-year strict regime sentence to be followed by five years of internal exile. He is charged with anti-Soviet agitation and propaganda.

As a young priest, Father Yakunin came into conflict with the Orthodox Church for criticizing its subservient attitude towards the Soviet state. He was expelled from the parish where he had been serving as a priest.

After this began an increasingly outspoken life as a dissident, despite warnings from the KGB. Father Yakunin protested publicly on several occasions against violations of the religious rights of Soviet citizens, and in 1976 he became one of the founders of the unofficial Christian Committee for the Defence of Believers' Rights.

In August, 1980, after a long period of interrogation and investigation, Father Yakunin came up for trial in Moscow.

Soon after arriving in the Perm labour colony in the Urals, he joined with other prisoners in a hunger strike against prison conditions. Later in the year he went on another hunger strike, this time in protest at confiscation of his Bible.



Father Yakunin: Outspoken life as dissident

Israel's economy, part 2: Inflation nightmare begins to bite at last

Prices go crazy but so far there are no dole queues

"After more than four years of triple digit inflation, most countries would be on the verge of a military coup", an Israeli financial commentator said recently. "The remarkable thing about us is the complacency with which we treat what Europeans would regard as the ultimate economic nightmare."

Christopher Walker, Jerusalem correspondent, continues this series of three articles with an examination of the effects of inflation. Part one appeared on our features page yesterday.

The most graphic indication that the era of complacency might be drawing to a close came last month when the Government was forced to shut the border with Egypt in an effort to prevent the country's 8,500 striking doctors from seeking sanctuary in Sinai.

Like all other salaried employees, Israeli doctors receive a built-in pay rise every three months amounting to roughly 65 per cent of the increase in inflation. In addition, they have been awarded a 22 per cent pay rise as part of a two-year agreement negotiated centrally for the public sector.

But this is still not sufficient to stop them threatening to cripple the health service in support of a 100 per cent pay claim.

One cause of the growing discontent over pay has been the recent erosion in real wages in the face of escalating monthly inflation, which reached a record level with April's 13.3 per cent rise. In the face of ever-accelerating price rises there is a danger that the finely balanced three-monthly indexation system could collapse, leading swiftly to economic anarchy. A concession to the doctors is being resisted so stubbornly because of fears that the treasury could be submerged in an avalanche of wage demands.

It is not only wages which are indexed: savings, taxes, insurance schemes, pensions, and

the rate of interest on government bonds are all linked to the cost of living index calculated by an army of bureaucrats. It is given pride of place on local news bulletins when it is announced on the fifteenth of each month.

In addition to this inbuilt protection, the ever resourceful Israelis have explored many other ways of combating an inflation rate which according to Mr David Nordell, a financial journalist, means that holding shekels is the equivalent of a Londoner tearing up pound notes. The most popular way of trying to stay ahead is investing on the Bourse. The Tel Aviv stock exchange, often described as the national casino. Even those Israelis who do not benefit from the linking of wages, such as the self-employed, are less disturbed by the reality of 145 per cent inflation than the politicians abroad who rail against the iniquities of inflation might imagine. "It is like a war wound. It is a nuisance but you eventually learn to live with it", Mr Meir Levisohn, aged 48, a Jerusalem tobaccoist, said.

Mr Levisohn, the father of four children who supports no particular party, is also a guide who takes Israelis on organized tours to Europe. "The situation here is much better than in England. We may have crazy prices but we do not have the

dole queue". He said proudly. His wife Yehudit pointed out that Israeli prices have become so meaningless, people have stopped talking about them. Resentment about inflation is much greater among the 700,000 Palestinians living in the occupied West Bank.

"It would be bad enough if it were the fault of your own government, or even your own people," Mr Ragheb Izzat Waary, an East Jerusalem barber said angrily flourishing a 1983 Israeli income tax demand for 100,000 shekels (£1,500). "When it is imposed by an occupier, you become even more bitter."

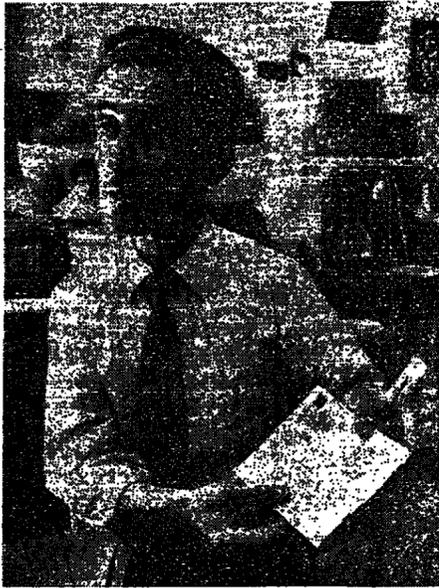
Mr Waary, with nine children of school age, claimed to have no savings left from his modest annual income which is supplemented by a relative working in the Gulf.

For the Palestinians, as for the Israelis living a few hundred yards away in west Jerusalem, an increasingly large part of daily life is now devoted simply to maintaining the value of any cash at hand.

Tomorrow: Labour's answers



Mr Levisohn and family: "We don't have the violence and vandalism which go with unemployment"



Mr Waary: Nine children, no savings and an income tax demand to meet



Mr Levisohn and family: "We don't have the violence and vandalism which go with unemployment"

Coalition leaders in Italy fall out

From John Earle, Rome

Public bickering between the secretaries of the two main government parties, Signor Ciriaco de Mita (Christian Democrats) and Signor Bettino Craxi (Socialists) had enlivened the last stages of an otherwise lacklustre seven-week campaign for Italy's general election next Sunday.

Signor Craxi, who hopes to become the first Socialist Prime Minister, proposed last week a three-year pact for collaboration in government between his party and the Christian Democrats.

Signor de Mita immediately rejected it, comparing the proposal to an agreement in a Western film to divide the booty. Signor Craxi retorted that this reaction was insolent and irresponsible.

The government parties' image has not been enhanced by recent acts of the judiciary. First, the Socialist regional premier of Liguria, who has resigned to stand for the Chamber of Deputies, was arrested with a group of his collaborators on corruption charges, apparently in relation to the issue of building licences.

Then, at the end of the last week, several Christian Democrats and Social Democrats in the Naples area were among nearly 900 people sought in the massive round-up of the Camorra, as the Mafia is called there.

Both the Christian Democrats and Socialists, furthermore, are fielding several candidates whose names were on the list of alleged members of the secret and now-banned P2 Masonic lodge.

This focus on the shadier side of political life prompted Signor

Enrico Berlinguer, the Communist Party secretary, to urge in a leading article in the party organ *L'Unita* that Roman Catholics should vote for his party if they wanted a real change of direction towards an Italy "more clean and more just".

Nevertheless, no one predicts a landslide move in any direction. The only practical choice is expected to be between the same parties which have more than 20 years' Christian Democrats, Socialists, Republicans, Social Democrats and Liberals.

There is widespread fear that recent events will encourage voters to stay away from the polls or return blank papers.

Electioneering so far has concentrated more on personalities and possible formulas for government than on concrete issues. All parties admit that the economic crisis is serious and pay lip service to the need to reduce inflation, but the two main government parties have different approaches on how to do so.

The Christian Democrats, at least on paper, call for rigour and austerity, while the Socialists support a greater degree of inflation and a quicker reduction in interest rates which, for many borrowers, are still about 24-25 per cent.

The statistics carry a grim message for whatever government emerges. Inflation is still about 17 per cent instead of a targeted 13 per cent. The lira, which two years ago crossed the exchange level of 1,000 to the dollar, is now more than 1,500.

Industrial production fell last April, on a 12-month basis, by 14.2 per cent.

Sovereignty hampers air fare cuts

From Michael Daily, Transport Editor, Geneva

There will be no breakthrough on European air fares despite new moves at the EEC and the European Parliament experts from the International Air Transport Association (Iata) said here yesterday.

The most to be hoped for is more bargain fares between European cities as an evolving EEC air transport policy introduces more flexible pricing policies.

But cut-throat competition and big fare cuts on American lines are not on the cards in

Europe, primarily because of the jealous preservation of national sovereignty by European state. Mr Knut Hammarjöld, Iata director-general, said.

The Thatcher Government may favour staff cuts at British Airways, but so long as the Mitterrand Government wants Air France to keep staff to help unemployment, pressure to lower fares to match lower costs will be resisted.

High air fares in Europe are a matter not so much for Iata or

the airlines but for national governments, Mr Hammarjöld said. When it comes to negotiations over cheaper fares "blood is thicker than water, sovereignty is more powerful than idealism".

The new noise regulations in 1985-86 could "push some airlines against the wall", Iata says.

Out of 6,000 aircraft some 1,500 aircraft will be made redundant by the noise regulations and other technical advances.

Poisoned shrimps silence Huelva's seagulls

Huelva has gone strangely silent since the cry of the seagulls. Harry Debelius, a representative of the Ministry of Health ordered insecticide to be sprayed on the shrimps so that they could not be sold.

Senior Juan Gil Zamora president of the Huelva Society for the Protection of Animals and Plants, said that a search of marshland near the city found only a dozen gulls.

CND pleads for East's barred peace groups

By Our Foreign Staff

More than 60 Britons have flown to Prague to attend a peace assembly organized by the Soviet bloc that is expected to attract more than 2,000 delegates and observers to Czechoslovakia.

The six-day World Assembly for Peace and Life against Nuclear War, which opens today, is expected to be attended by representatives of "official" Soviet and European peace committees and representatives of West European, United States and Third World peace movements. Members of

the "unofficial", independent Soviet bloc peace movements are not expected, however, to be allowed to attend.

Organized with the support of the Soviet-backed World Peace Council, the assembly will hold workshops and plenary sessions, roughly on the lines of the European nuclear disarmament convention held in Berlin last month.

The British Campaign for Nuclear Disarmament (CND) is sending two official observers to the conference.

Dissident view, page 10

FLY THE LEADER.

The largest fleet in the U.K.

There are more Boeing 737s flying into, out of and all around the U.K. than any other jetliner. Airlines are flying and buying the 737 because they can count on its on-time reliability. Passengers fly the 737 because of its comfort. Soon the 737-300, with greater efficiency, quieter performance characteristics, more passenger comfort and more room for hand baggage will be available. Prediction: The 737 fleet will be a runaway favourite for the next 20 years.

In this extract from the first biography of Vladimir Horowitz, Glenn Plaskin describes the pianist's initiation into the Toscanini family

A musical marriage



To understand the various changes in Horowitz's playing over the years and the emotional problems that drastically affected his career, it is essential to view him within the context of the Toscanini family.

Not that the Toscaninis were an easy family to fit into. The conductor's wife, Carla, and her four children had shaped their lives around the intimidating brilliance and puzzling contradictions of their "Papa," who ruled them with absolute authority.

Horowitz ended his seventh European season on June 2, 1933, in Paris, with a recital at the Théâtre des Champs Elysées. In need of rest, he began spending time with Wanda and her family, watching the Maestro conduct in Vienna and gradually becoming more comfortable with the formidable Wanda.

The courtship began in earnest that summer, and it was almost immediately clear what Wanda had on her mind. Her determination was etched on her face. She had inherited her father's cobalt eyes, his beetling brow, and some of his darker moods.

During Horowitz's stay, he and Wanda discussed marriage, but with trepidation, knowing that it all hinged on the approval of Toscanini. Although Horowitz was Jewish and Wanda Roman Catholic, religion is not known to have been a major factor in Toscanini's opposition that summer to the union.

Toscanini's objections lay in other areas. Although he felt warmly towards Horowitz and greatly admired him as a

pianist, he had warned his daughter how problematic living with such a high-strung musician would be. "You know very well that life with an artist is very difficult," Toscanini admonished. Family friends suggested that Toscanini was concerned about Horowitz's close friendships with other men, worried that because of such friendships he would make neither a good husband nor a good son-in-law.

Not that Horowitz himself was free of doubts. In an interview a few years earlier he had asserted that "marriage and a successful musical career are incompatible. To be a great artist, one must live alone." He now worried about the obligations and responsibilities of family life and confided to friends: "Women are like unnecessary baggage. Mr fiancée doesn't know how to do anything - just to tell if I play good or bad."

Horowitz said he didn't know how he would cope with someone for 24 hours a day, and when the wife of a colleague said that she helped with her husband's correspondence, Horowitz decided that might not be a bad idea: Wanda could write letters for him. "In those days the pressure to get married was tremendous," recalled one close friend, "and Horowitz needed someone to take care of him, to replace the family he had lost. Wanda and the Toscaninis gave this sense of stability to a life which had been desperately chaotic and lonely. She gave him a home and the iron control he needed."

But above all, Horowitz was enchanted by the idea of becoming Arturo Toscanini's son-in-law. At home, a picture of the Maestro was always prominently displayed on his piano, and he would proudly declare, "I am a pupil of Toscanini." Horowitz at that time tended to parrot Toscanini's ideas about music and performance, insisting, for instance, that "performers should not insert too much. We should try to understand as much as possible the intentions of the composer and not invent anything of our own." Yet a moment later he would be at the keyboard demonstrating quite the opposite, his own amazing technique and uncanny talent for producing colours - "like a painter," as he put it.

With Wanda still pressing heavily on his mind, in the autumn of 1933 Horowitz faced yet another overloaded itinerary, including concerts in Hungary, Italy, Denmark, Sweden, Switzerland, Belgium, England, Holland, and Austria. One engagement he looked forward to was in Copenhagen, where he was to play the Rachmaninoff Third with the State Radio Symphony under the direction of Nicolai Malko. Malko was a fellow Russian who had conducted Horowitz's first concerto appearances in Kiev, Odessa, and Kharkov in the early 1920s. He and his wife had been frequent visitors at the Horowitz household in Kiev and they had looked after Horowitz's brother George before the boy was institutionalized. Horowitz enjoyed bantering with Malko's wife, Berthe, and he cherished the couple as an important connexion with his past.



Horowitz and Wanda shortly after their marriage in December 1933

On October 3, the day of his first rehearsal in Copenhagen, Horowitz told the Malkos that he had finally decided to marry, and he showed them a photograph of his intended, keeping her name a secret. In his schoolboy way, he teased about how surprised they would be when they learned his fiancée's family background. Her father was terribly famous. Two days later, he could contain his excitement no longer and announced to the Malkos that his bride was none other than the daughter of Arturo Toscanini. He told everyone he knew that he felt as if he were 18 years old, that everything seemed new to him, and that it was the first time that he had felt anything at all for a woman.

Many close friends of the period were surprised by Horowitz's decision, though delighted for him. They could not, however, help noticing his ambivalence and anguish as he tried to accustom himself to the prospect of marriage. For Horowitz had grown used to and content with his male friends. Once, he shyly asked intimates if they had heard rumours that "he fancied men?" Then, in a devil-may-care but aloof manner, he exclaimed, "Well, let them talk!" - and pointed to his male secretary, who had travelled with him for the past six years. The secretary empathized with Horowitz,

for he was also engaged to be married. Travelling together, the two husbands-to-be would put pictures of their respective fiancées on their nightstands and shake their heads in self-mocking disbelief before turning in.

In jest, Horowitz would flirt with Berthe Malko, complimenting her on her clothes, chattering away criticizing other women they knew, all the while being, as she saw it, "charmingly egocentric." "Women are too feminine and I don't like them," he told her once, suddenly erupting into self-conscious giggles as if not believing what he had just said. Among friends, Horowitz had acquired a reputation for having a roving eye, and even as he told the Malkos about his future wife, he couldn't help flirting with one of Malko's conducting students, a bright young man named Hans Schroeder, who was part of the supper party that followed Horowitz's performance of the Rachmaninoff Concerto. As he talked to Schroeder, he became animated and his eyes seemed to light up.

On October 8 the Toscanini family formally announced the engagement, and the Maestro privately suggested to Horowitz that he and Wanda travel together in England as a sort of trial run. This idea may have seemed logical to Horowitz because, in a state

of confusion about his feelings toward Wanda and the marriage, he was still hesitant to take the plunge. "Maybe I shouldn't get married," he would say to friends. "But then again, Wanda knows I'm a little perverse, and she wants to try anyway. She has been in love with me for the past four years." About his own affections, he would respond: "I'm not in love. I can't love anyone. I love the piano."

On November 2, Horowitz and Wanda arrived in London for his "celebrity tour" of England and Scotland. Young unmarried women then did not travel alone with a man, so Wanda's sister, Waliv, agreed to chaperone the couple.

The tour was not only a professional success but, despite fears and misgivings, Horowitz and Wanda enjoyed their time together and decided to go ahead with the marriage.

Many of Horowitz's friends believed he would cancel the marriage at the last moment. Others, familiar with the situation, predicted, according to Wanda, "that the marriage wouldn't last three weeks," but she was determined to prove them wrong.

A sympathetic friend pointed out the practical advantages of the match, noting that "from the start, Wanda and her father understood that Horowitz was an exceptional creative genius, and all three respected one another. They knew an enormous amount about how the music business worked and each recognized the other as an asset in what was to become a marvellously effective family machine." Horowitz would not have denied that he expected to learn much from Toscanini. Years later, in a rare reflective mood, he said, "Wanda made a man out of me - and her father made me a musician."

At the end of Horowitz's autumn season in Europe, four days before Christmas 1933, the fateful day arrived in Milan. None of Horowitz's family attended. Standing beside the Maestro were Carla; Wally and her husband, Count Castelbarco; Wanda's brother, Walter, Milstein, Piatigorsky, and a few other close friends. The event turned out to be satisfyingly "spontaneous" because of Horowitz's poor Italian.

The celebration afterward was also short and simple, and then there was little time for a proper honeymoon since Horowitz had immediately to begin preparations for an American tour.

Musically the marriage seemed to agree with Horowitz, for some of his harshest critics were impressed by his growth that season. In February his performance of the Brahms B-flat Concerto with the New York Philharmonic under Hans Lange was coached by Toscanini himself.

As Horowitz had hoped, the Maestro now took an interest in all of his major appearances. The pianist was completely under the conductor's spell and since his playing seemed to have new depth, it almost seemed as if Horowitz had gained something of Toscanini's mastery by marrying his daughter.

Tomorrow: The year that changed Horowitz's life.

moreover... Miles Kingston

A mower for all seasons

What kind of lawn mower should one get? A lawn mower represents a considerable investment, second only to the house, car, family TV or a theatre night out in the West End, so it is very important to choose the right one.

Here is a consumer's guide to the most popular types on the market.

Petrol-driven Heavy Duty. The traditional king of the lawn, now available in many colours and stylings. The ordinary family would be quite happy with the saloon model, while younger buyers might prefer a yellow or red sports model, which can only deal with light grass but which is guaranteed to overtake anything else on the lawn. If you do a lot of driving between London and the country, it probably makes more sense to think of an estate model lawn mower: there is ample space in the back for half a ton of grass cuttings to take down to your Wiltshire cottage.

Hovermower. The new, very successful type which rides on a cushion of air. Advantages: quick, fun, goes equally well over grass, sand, sea and main roads, aerates the grass. Disadvantages: is dangerous in storms or foggy conditions, even with a fog-horn; is very noisy, especially with a fog-horn; has little luggage space and deflates any insect it passes over. Ideal for smooth conditions; not so good on choppy grass or lawn with a heavy groundswell.

Alliance Mower. The makers of the new Alliance mower consider that the world of lawn mowers has for far too long been polarized between the petrol people and the hover people. "They have turned the laws of our country into a battlefield on which to fight out their ideological wars, and the consumer is the loser," says their manifesto, A New Deal For Grass. Their new, moderate and compromise machine aims to combine the best features of both, and to use petrol to form a cushion of air. Or to use air to provide a cushion of petrol - it isn't quite clear yet. Either way, they hope to break the mould of mower-making, or at least be featured on Nationwide.

Allegro Maestro. The bright new hope from British Leyland's garden division, creator of the Grass Rover and the Sierra Nevada. Unfortunately the factory which produces this potential Eurowinner has been closed by a strike since launch day and noone has seen one.

Endowment With Profits Life Mower. A new 25-year model with combined life insurance and anti-inflation hedge; an extra attachment provides anti-hedge inflation. It crosses a basket of unit trusts with an exciting lawn insurance scheme and free strawberry teas at age 60. "We think this is a real winner," says top salesman Reg Winter. "Perhaps I could call on you at your home and explain it to you, then get you to sign logs of forms?"

Starfighter Mower. An American-based long-range mower which, if the promotion literature is to be believed, uses a derivative of napalm. It is very effective against insects, dogs, cats, neighbours and nearby houses. Against grass unfortunately, it does not seem so effective. The German Grasswaffe, who have adopted it as their main mower, report that it tends to crash as soon as it is switched on; otherwise they are very pleased with it.

Mitsubishi Digimower. A new Japanese concept which computerizes the profile of your lawn and then mows by itself. It finishes by curling the grass into exquisite patterns, a concept of gardening for which the West is perhaps not quite ready. It guarantees not to cut down trees, an important consideration when you remember that the average Japanese tree is two and a half feet high.

Brideshead Revisited Lawncutter. This comes in two parts: a long-handled scythe and an elderly family retainer. The results are the best of any mower, but the expense of housing the retainer in a separate dwelling on the estate may deter some more suburban users. Channel 4 are broadcasting an instruction series to go with it.

California Grass Harvester. This ingenious device claims to cut the plant when it is ready for smoking and to roll into hand-scented pellets, a claim made, as far as I know, by none of the other machines under review.

CONCISE CROSSWORD (No 86)

Grid for the crossword puzzle with numbers 1-25.

- ACROSS: 1 Gunman (6), 5 Cape (4), 8 Goldy (5), 9 Pale (7), 11 Foliage (8), 13 Nameless (4), 15 Hereditary title (9), 18 Slout stick (4), 19 Endurable (8), 22 Entourage (7), 23 Perch (5), 24 Desert dweller (4), 25 Fashionable (6). DOWN: 2 Sound (5), 3 Remunerate (3), 4 Redistributable (13), 5 Series of cogwheels (4), 6 Feminine (7), 7 Child's toe (5), 9 Ice cream (4), 10 Performer (4), 12 Celestial object (4), 15 Boast (7), 16 Disfigurement (4), 17 Heavy (5), 20 Kinship (5), 21 Insult (4), 23 Grass (3).

SOLUTION TO No 85: ACROSS: 1 Dilligarden 9 Outcome 10 Aside 11 Mps 13 Oven 16 Tour 17 Crunch 18 Egg 20 Geum 21 Bolero 22 Suet 23 Than 25 Pus 28 Exile 29 Paprika 30 Crematorium. DOWN: 2 Isle 3 Amok 4 Idem 5 Alas 6 Episode 7 Coconuts 8 Deprimental 12 Fusher 14 Nod 15 Ormoly 19 Atelier 20 Got 24 Haiku 25 Perm 26 Spot 27 Spar.

FINDINGS

A series reporting on research MUSIC

When intimations of Berg's intimacies reached scholarly ears, there began a fundamental reinterpretation of his later works. The third movement of the Lyric Suite, for example, was found to have been built on an interweaving of the lovers' initials. The notes A, B (flat) and H (B). F. The repeated coincidence in the work of the figures 23 and 10 was also explained. Berg, a firm believer in mystical numerology, held 23 to be his fateful number; 10, therefore, had to represent Hanna.

The figures 23 and 10 have now been found intertwined again in the violin concerto, written as Berg lay dying of blood poisoning sustained from an insect bite. Ostensibly, the concerto is dedicated to the memory of Manon Gropius, teenage daughter of Gustav Mahler's widow, Alma. But two Berg scholars, Douglas Jarman and George Perle, claim to have unravelled a secret programme which shows the concerto to represent Berg's love for Hanna. The two meanings are not altogether unrelated, since Hanna was the sister of Alma's third husband, the novelist Franz Werfel, and there is some evidence to suggest that Alma acted as go-between for the lovers.

Explosive co-production

That inveterate Alkan excavator Ronald Smith, now working on the second volume of his resurrectionist biography of the French piano composer, has discovered a new cadenza for Mozart's D minor concerto, K466. "Like most of Alkan," says Smith, "it is explosive, and has probably not been played for a century."

It would make a strong concert programme beside Beethoven's C minor concerto in the Alkan version, which unpredictably transforms the concerto's opening theme into the finale of the Fifth Symphony. When

it was last heard in public in 1906, in Wilhelmian Berlin, played by Ferruccio Busoni - this Franco-German co-production provoked a major scandal.

Diva in distress

A discography of the art of Dame Joan Hammond is being prepared by Gramophone magazine as part of the British effort to relieve the diva in distress, having lost all her possessions in the Australian bush fires. Remarkably, it demonstrates that a single folksong is the only item still available from the 86 records she made for EMI. It is her very first recording, "The Green Hills of Somerset", accompanied by Gerald Moore and released in 1941. Whatever, I wonder, became of "O My Beloved Daddy", the Puccini aria that sold one million copies in wartime?



Tchaikovsky

Variations varied

"Look what he's done to my piece - he has altered everything", bewailed Tchaikovsky when the manuscript of his Variations on a Rocco Theme was returned to him - by its first performer, one Wilhelm Fittzenhagen. "The devil take it!" exclaimed the composer, "let it stand as it is!" And so it has for 106 years,

becoming nonetheless one of the most popular concert works for cello and orchestra. However, a British virtuoso, Raphael Wallfisch, has just made a premiere recording of Tchaikovsky's original score, revealing an unsuspected eighth variation and unfolding a schematic structure utterly demolished by Fittzenhagen. The disc is the fourth in a series by a small record company, Chandos, and a Dallas-based Australian conductor, Geoffrey Simon, aimed at examining Tchaikovsky's first thoughts and exploring his forgotten works. It has succeeded already in establishing the original versions of the second symphony and Romeo and Juliet, overruled as credible alternatives to the familiar editions.

"The left has all the best artists," declares a socialist acquaintance. "Perhaps in other arts, we reply, but not in music. Absolutely. Mahler, once spoke of voting for a Social Democrat and eastern bloc composers have been inspired under varying degrees of official ess to produce communist cantatas. But, apart from hard-left modernists such as Hans Werner Henze and Luigi Nono, few twentieth century musicians of note have been tempted by Marxism."

"What about Kurt Weill?" shouts a heckler. Well, it is becoming increasingly apparent that the composer of The Threepenny Opera was generally out of sympathy with his leftist collaborator, Bertolt Brecht. The latest recording of The Seven Deadly Sins, the work that ended their uneasy six-year partnership, departs radically from the off-key agit-prop delivery espoused by Lotte Lenya for heavy social messages. "People have been amazed to hear us playing his piece with a proper orchestra which plays in tune," says Simon Rattle.

Lenya herself heaped scorn on Brecht's show-off socialism. She recalled that when Brecht came to stay with the Weills, he transformed their comfortable guest room into a monastic cell, taking down the curtains, rolling up the rug and replacing the picture on the wall with a red star. "Kurt said: 'I'm not interested in composing Karl Marx; I like to write music,'" said Lenya. Norman Lebrecht

Fortnum's advertisement featuring an illustration of a regatta and text: "an occasional commentary on Important Events - Henley Regatta. Henley's such fun for the men, isn't it. Vanessa? They dress up like refugees from an Old Time Music Hall, and spend the whole afternoon jumping up and down on the towpath shouting incomprehensible things at the crews. I don't know why they bother - nobody takes the slightest notice. But all that fresh air and exercise gives them a terrific appetite, so it's just as well we've got a hamper from Fortnums. Henry dear, do stop shouting and come and open the champers. What's the matter, Henry? Caught a crab? There's really no need, we've got plenty here, with luscious York ham to follow. And, of course, strawberries. One simply must have strawberries at Henley. Apart from anything else, they go so well with Henry's blazer, don't they?" Fortnum & Mason such stuff as dreams are made on Piccadilly, London W1A 1ER. Telephone: 01-734 8040

Was Liszt kissed? Did Beethoven kiss him, or not? Alan Walker, in his outstanding Liszt biography, out this month from Faber, conducts an exhaustive investigation into the controversy over whether Beethoven conferred a physical embrace upon the 11-year-old Franz. Walker comprehensively destroys the image, depicted in a famous lithograph, of Beethoven clasping the little pianist to his bosom after a triumphant concert. The evidence is conclusive that the deaf old master stayed away from the prodigy's public performance in Vienna. Nor was Beethoven complimentary about Liszt when the boy called on him at home. "The little fellow's improvisations don't amount to much," he carped in the Conversation Books he employed to communicate with visitors. Nonetheless, Walker is prepared on balance to accept Liszt's testimony that "Beethoven consecrated my brow with a kiss", apparently at this meeting. Whatever the truth Liszt amply repaid the benediction. He made it his mission to propagate Beethoven's art and was principally responsible for the erection of a statue in his home town, Bonn. He helped make the symphonies accessible to home listening by transcribing some of them for the piano, and tirelessly expounded the late sonatas before a largely reluctant public. Secret letters of love The sex life of Alban Berg has been exciting musicologists for almost a decade, ever since it became known - after the death of his aged widow, Helene - that, for the last 10 years of their seemingly ideal marriage, the austere Berg was waging a passionate affair with a Prague hostess, Hanna Fuchs-Robettin. Helene did not find out until after her husband died in 1935; the shock of discovery is thought to have prompted her to ban the completion of the last act of Berg's violently erotic opera, Lulu.

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Advertisement for a mower, including a crossword puzzle and a list of solutions.

Handwritten Arabic text: كذا من الاصل

FASHION by Suzy Menkes

Invitation to the Dance

Ballet is the stuff that Midsummer Night's dreams are made on. There is a romantic streak in the English character that blossoms out in rosebuds and tulle so that an invitation to the dance becomes a reason to recreate a Pegasus painting.

This summer, dance is a "hot" subject, with the Royal Ballet's Leslie Collier, Bryony Brind and Wayne Sleep starring on television in the *Hot Shoe Show* and Channel 4 exploring modern dance. The dance centres are the mushroom growth of the decade with the Dance Centre in Covent Garden processing 1,000 students a day and the two London Pinnacple studios now boasting a total membership of 25,000.

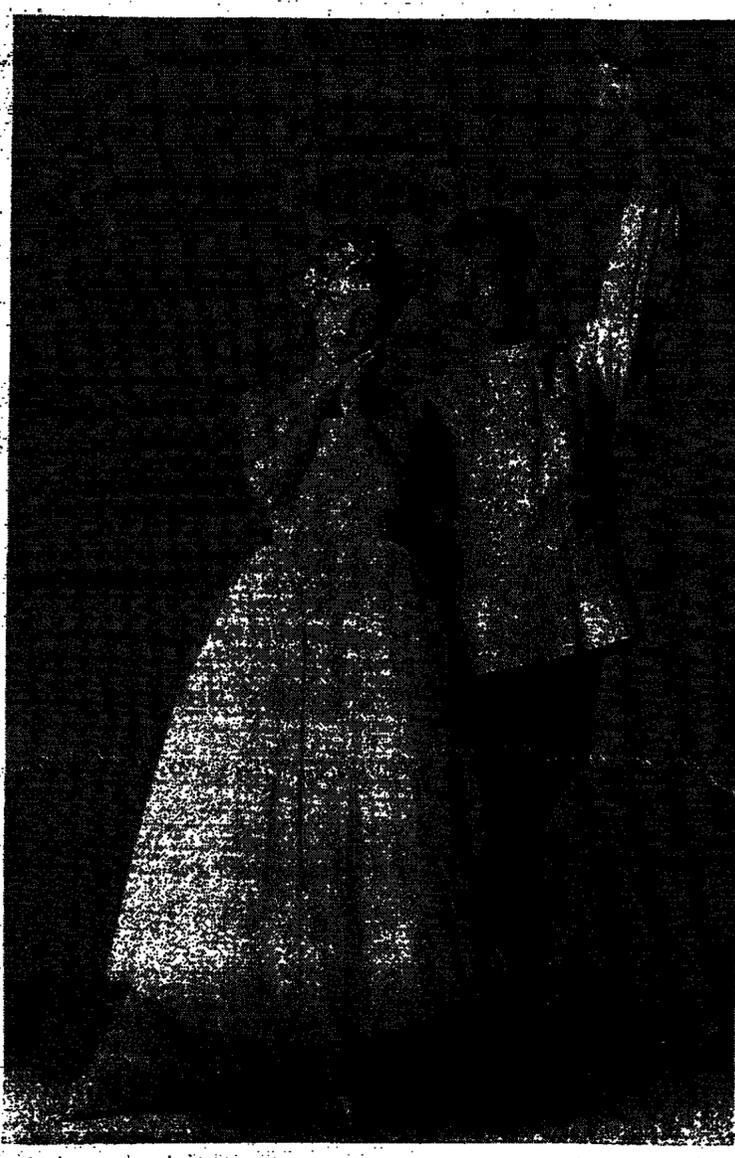
The last bout of balletomania was in the 1940s, when new British ballets were presented by the Ballet Rambert and Sadlers Wells was at its zenith. Fashion took up the ballet theme as a design motif that lasted into the next decade. The current craze for the Fifties has helped to bring back the prints of twirling tutus, ballerina brooches and patterns of graceful Degas dancers round neckline borders.

The post-war appetite for ballet was a search for escapism, according to Revis Miller in his study of the decorative arts of the forties and fifties (*Austerity Binge, Studio Vista*). But the romantic style of dressing seems to be a perennial fashion escape route.

David Fielden, whose small King's Road shop is a froth of snow-white net and lace, drew his inspiration directly from the ballet. He is a Yorkshire farmer's son who first studied theatre design in Birmingham and then joined the Ballet Rambert at the creaky age of 21, when he claims that he didn't know a *plié* from a *pas de deux*. He rose rapidly after a competition win for choreography in Paris and a season with the Ballet Comperanin in Verona. But his ballet career ended with the realization that finding constant work as a dancer or choreographer was difficult. He first collected and sold antique lace then from 1977 made his business as a dress designer.

"I was a very emotional dancer," he explains. "My movements came from feelings as opposed to a technical vocabulary. And because I am a visual person, I used my eye to pick out clothes. With my background, I know that my designs have a certain theatrical sense."

A grand entrance down the aisle is the most likely role for David Fielden's romantic creations. The shop is really a studio where brides come for a design service which includes headresses and tulle. Fielden's favourite feeling is for the flower, with the stork of an organza dress cut in overlapping petals or rose beds gathering up the folds of paper tulle. He



Above right: Suzanne de la Rose in silk tulle and tulle dress with ruffled sleeves and rosebud trim. To centre: David Fielden, 157 King's Road, SW6. Colour: Catherine Walker, 22, Saffron Hill, London EC8P. Above left: Nutcracker Sweet in fondant pink Degas dress with ruffled satin bodice and tulle skirt. From Chelsea Design Company, 65 Sydney Street, SW3. Floral choker £41 from David Fielden, Rosebud embroidered satin ribbon ties on shoes by Offray from Liberty, Dickens & Jones. Satin ballet shoes from Anello and Davide. Man's brocade tunic from Berman & Nathan. Tights and ballet pumps from Anello and Davide.

Photographs by NICK BRIGGS. Hair by PETER at Daniel Galvin. Make-up by LESLEY CHILKES for Clinique.

skirts and lace trimmed blouses are sold as evening outfits. (Prices from £300 to £650).

Ballet inspiration appears elsewhere this summer, with Catherine Walker of Chelsea Design Company making a series of ballerina slip dresses in

SPRING IN THE STEP

One of the untiring roles of Elizabeth and David Emanuel is as stage designers - from the romantic pantomime clothes for *Cinderella* last Christmas, to the striking ballet costumes for Wayne Eagling's experimental workshops.

Eagling and the delicious Bryony Brind are personal friends of the Emanuels, who are both ballet enthusiasts and whose earliest fashion collections were inspired by Balst and the Ballet Russes.

Elizabeth describes their design work for the Royal Ballet's choreographic group as

"a marvellous opportunity and a way for us to learn." Because dance design demands comfort and ease of movement, they moved completely away from the puff-ball skirts and flounced sleeves that were the Emanuel handwriting - especially for the royal wedding dress.

"Ballet design is really most successful when it reflects and magnifies movement," says Elizabeth in the glossy new book "that is an exposition of their work."

The bold, brown costume (left) decorated with fringing to look like animal bristles, was designed for Wayne Eagling for his ballet "Deadlier than the Male". A fantastic elaboration on the Spectre de la Rose produces some of the most

A WINDOW ON THE BODY

Down by the Riverside, Melissa Fenley is working out in preparation for her hour-long marathon of modern dance movement.

The 28-year-old American has choreographed her own ballet, *Eureka*, and developed for it her extraordinary body - tiny, taut and exuding muscle power.

"I am comfortable with my body," she says of the strength she has built by weight-lifting and athletic training. "I do contemporary dance with both 'masculine' and 'feminine' movements. I do not accept the romantic view of ballet when the choreography is designed to let the men do the big movements and the bravura - and then lift up the woman on to a pedestal."

For her contemporary choreography, Melissa Fenley has had to create her own costume - a square-cut top and trousers with a stripe, that echoes the primitive beat in the music. "The design of the armpit is deliberately cut square so that you see some of the ribcage and the breast," she says. "It is architected as a window on the body."

Melissa has talked to Rei Kawakubo of Comme des Garçons about dress for her dance. The costume for *Eureka* is designed by another oriental spirit, the Korean Yonson, who works in New York and whose design career as Yonson Pak has run parallel to Melissa Fenley's development as a choreographer.

For the first half of *Eureka*, which had its London debut at the Riverside Studios last week, Melissa wore a leotard. The Yonson Pak outfit meets the demands of the programme as it builds up with aerobic energy into perpetual motion.

Ironically, Melissa Fenley was born in the show business mecca of Las Vegas, but she rejects totally that tinsel-town vision: "I don't go for costume designers because they look for the gaudy, the fizzy and the camp, with sequins and all that dazzle fizzle," she says. "Fashion people are more sensitive to what the body looks like in movement."



Melissa Fenley on stage in her dance costume. "The trousers and the shape remind me of the Ballet Russe."



exquisite drawings in the book, which also shows Bryony Brind dressed by the Emanuels in a pre-Raphaelite dress to interpret the Spirit of Autumn.

Each of the four seasons is represented by a galaxy of star customers, with Susan Hampshire in a froth of cream and a passive Lady Sarah Armstrong Jones as Spring and a luminous Norman Parkinson picture of the Duchess of Kent in a summer rose garden. The fine-boned Claire Bloom in dramatic black satin and the pale-haired Fayne Dunaway appear as Winter.

Would the Emanuels like to develop as theatrical designers? "We've really just huge ballet fans and we got involved with designing because we know members of the Royal Ballet," explains Elizabeth. "We go to rehearsals, watch the London Contemporary Dance and try to enter into the spirit of the ballet when we design."

Style for all Seasons, by Elizabeth and David Emanuel. Pavilion Books, £15.

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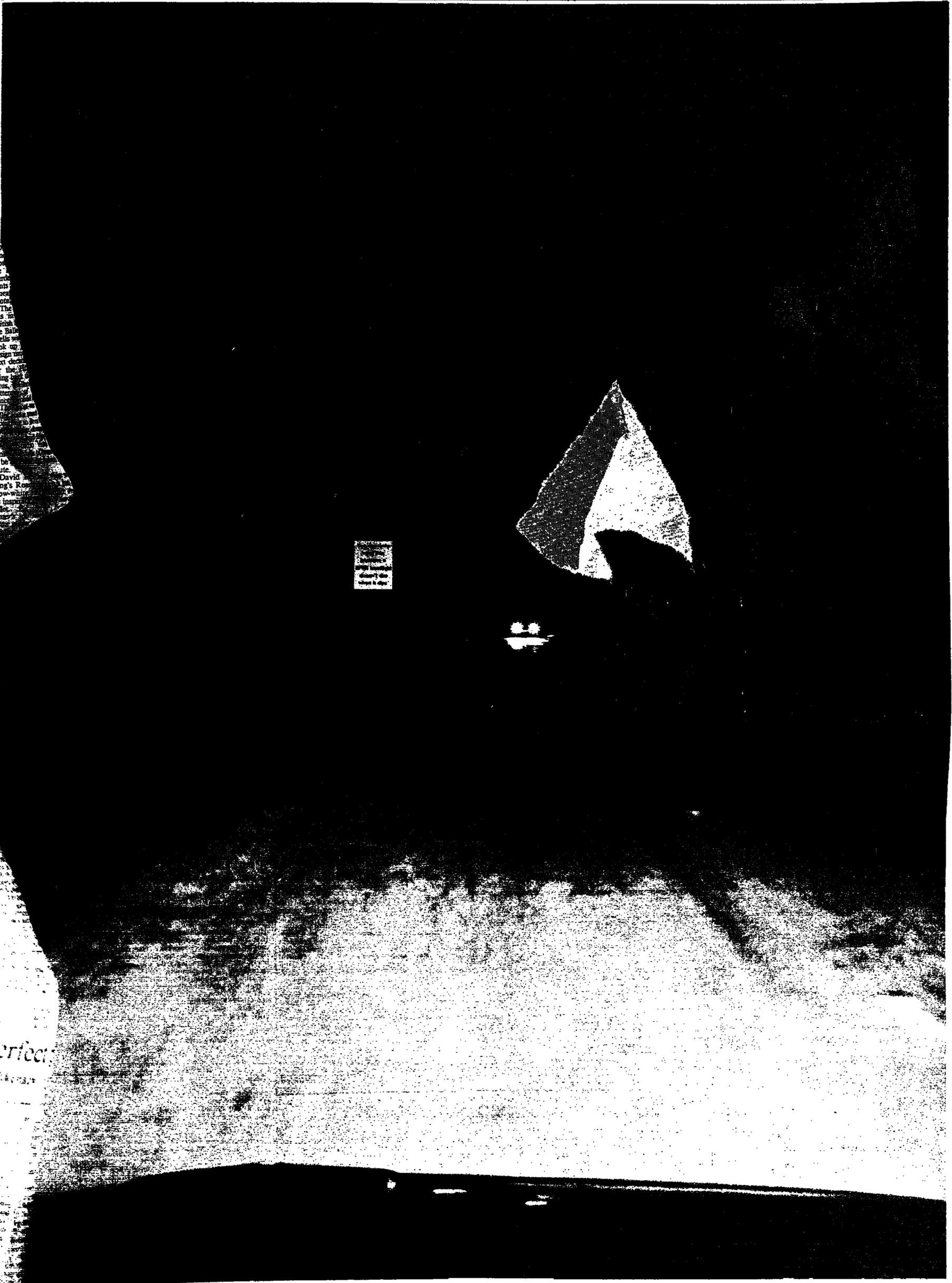
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As the World Congress for Peace and Life Against Nuclear War opens in Prague, a Czech 'dissident' offers a warning to western delegates

No peace without freedom

by a citizen of Prague

We should like to welcome you to Prague, but we must do so in advance...

Your time in Prague will have an exclusively official character. From the moment that you cross the border...

We are the fragment - whether reminder or germ - of public opinion in our country. About many things we differ...

generously in the Government Palace only because your own governments, in one way or another, take you seriously.

That is why we consider it absurd to compare the relative range and destructive power of missiles. At worst, such comparisons show not merely absurdity but also hypocrisy.

our technological world, which is unable to think in more human categories.

We have the bitter privilege of being able to reflect upon the preconditions of peace, on the basis of the freshest experience of war.

The troops stationed in Europe as a consequence of the last war will hardly be withdrawn unless those stationed in our country are withdrawn.

Until those troops are withdrawn there can be no public opinion, no sphere of public debate and criticism, in our country...

Such a movement represents, not the precondition of peace, but only the precondition for the hospitality which is being offered to you.

We are a segment of that public opinion without which peace can represent only a problematic ceasefire.

Roger Scruton

When a life term is not enough

In discussions of political principle - where there are many questions and few answers and where no answers are universally satisfying - the major issue is always one of onus.

The question of onus, however, is as disputable as every other. In recent years socialism has begged this question in its own favour...

It is irrational to discard an existing social order until one is fairly certain of a better one. For this reason, the question of onus ought generally to be decided in the conservative's favour.

When the conservative wishes to restore something, however - be it hereditary peerages or capital punishment - he cannot be quite so secure in his conviction that reason is on his side.

The practice of granting hereditary peerages has never been abolished, but merely neglected. To resume it is at least to rouse curiosity, and probably to rouse indignation as well.

If a citizen were rewarded for services to his country with a gift of property, he would naturally feel aggrieved if told that he could not pass it to his children...

coincided with hostility to hereditary property. There has been a general shift in moral perception, which requires all a man's goods and all a man's evils to be the spoils of his own activity...

Those who object to inherited property often argue that a society in which some have this advantage is "unfair", and that "unfairness" is an evil.

Such genuine saving is possible only if there are ambitions which reach across generations - ambitions not for oneself but for one's children and one's children's children.

After all, this too can be subject to profligate waste; this too can be made cheap and purposeless by someone who sees it as no more durable than himself.

Hereditary honour has indeed been one of the ways in which societies have encouraged saving. By acquiring such honour, a man acquires the motive to lay up store for the future...

In societies where wealth is privately owned - and where it will therefore accumulate in the hands of those most skilled and most interested in acquiring it - the hereditary principle has acted as a mental safeguard of the national wealth; a guarantee that present resources remain unscattered.

To reject hereditary honours is therefore to reject one of the principal motives for economic stability. It is to take a step in the direction of the spendthrift society, in which wealth is created for instant use, and in which the purpose of durable things cannot easily be perceived.

Geoffrey Smith

Reagan and the Thatcher factor

Washington There is one question that a British visitor to Washington is now asked time and again: does Mrs Thatcher's victory this month point to President Reagan's reelection next year?

It is true that no exact comparison can be drawn. There has been no American equivalent to the Falklands war; the Democrats do not seem likely to get themselves into the kind of mess that Labour did in Britain; and there is no prospect of a third party taking a quarter of the votes in the United States.

Yet the same political winds do often blow on both sides of the Atlantic, and Mrs Thatcher's triumph came only three months after Chancellor Kohl's victory in West Germany. This might seem to suggest that quite a strong international breeze is now blowing from the right.

Such a trend should be just as encouraging in its way to President Reagan as a purely right-wing tide. There is no comparison between the way in which he and Mrs Thatcher run their governments. But there is a similarity in their electoral appeal: both rely more upon their personality than their policies.

I was last in the United States in November. Then the Republicans felt bruised after the mid-term elections, and the air was rife with speculation as to how the President would be able to cope with the new Congress.

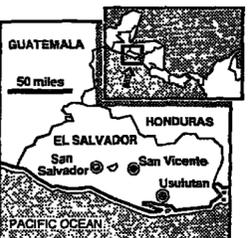
Congress has agreed to changes in the social security system on the basis of the bi-partisan Greenstar Report. The President has won critical votes on the MX missile, and his authority on Capitol Hill does not yet seem to have been diminished.

Last November the discord within the administration had reached such a pitch that even friendly voices on Capitol Hill were saying that it could not be allowed to continue. Now there are signs of a new coordination between the different factions in the White House.

The pressures on them to do so are all the greater because of the widespread acceptance in Washington that Mr Reagan will run again. Everything he has done so far is consistent with two interpretations, that he is resolved to do so or that he wishes to avoid becoming a lame duck by preserving for as long as possible the belief that he will run again.



Men of the Atlacatl Battalion, one of the Salvadoran army's most successful units, take a break during an anti-guerrilla sweep. Can they keep up the pressure demanded by the new strategy?



The elite, US-trained battalions of the Salvadoran army like to be known as cazadores - hunters - a title they sometimes accentuate by brandishing dead vultures on parade.

The ambitious objective of the San Vicente operation, planned and carefully monitored by American military advisers and diplomats, is to sweep the well-entrenched guerrillas out of this rich agricultural province for good.

American officials in El Salvador are understandably averse to comparisons between this war and Vietnam, but their attempt to drive an economic wedge between the civilian population and the guerrillas clearly resembles the "hearts and minds" programmes developed in the Vietnamese countryside.

There is another analogy with Vietnam, too. For a great many of this little country's impoverished peasants, the Salvadoran army has become synonymous with death and destruction. As one of the half dozen American advisers training troops in San Vicente concedes: "There is absolutely no reason why ordinary people should ever trust government soldiers."

Even that may not do the trick for a Reagan administration in dire need of some good news from the

Why Washington needs a win in San Vicente

high command's resources to breaking point. The National Plan calls for a big expansion of existing civil defence forces to defend towns and villages, freeing regular soldiers for combat duty.

In the past, the preference of most Salvadoran commanders for large, cumbersome sweeps has prevented them from maintaining severe pressure on retreating opponents. In rebel strongholds like this and the neighbouring province of Usulután, which is the National Plan's next target, the guerrillas have almost always been able to slip back in strength as soon as such operations are called off.

This time, the emphasis will be on preventing the insurgents from bringing renewed pressure on the local population while the economic revival gets under way. How that can be achieved is quite another matter. The army already has far too many men guarding fixed positions, and despite intensive training of new battalions it still has nowhere near the numerical superiority needed to keep an increasingly skilful enemy on the defensive.

Another battlefield setback would drastically narrow the options left for the Reagan Administration. The stakes are far higher than the much-needed foreign exchange El Salvador earns in the fields of San Vicente and Usulután.

It is no secret in the fortress-like US embassy in San Salvador that the line from Washington is getting tougher every day under the cabinet "hawks" who seem to have taken over Central American policy.

In such circumstances, there would inevitably be American casualties. Reagan is well aware that this would outrage US public opinion, already sternly opposed to deepening the government's military involvement anywhere in Central America.

Philip Jacobson

Ulster: can the ballot beat the bullet?

Belfast Mr Gerry Adams' general election triumph in West Belfast was the outcome of a chain of circumstances, politically and otherwise, resulting from the Government's lack of finesse in handling the hunger strikes, which in two years have brought Provisional Sinn Fein to a position where they are sending shivers down the political establishments in both Belfast and the Republic.

For the future most people in the province, as well as interested parties in the south, will be watching and waiting on the men dedicated to "ballot box and Armalite" politics. Militant Irish republicanism is in danger of forcing Britain into a cul-de-sac, eating into the tired body of the Social Democratic and Labour Party, which represents constitutional nationalism, and calling the shots both politically and militarily.

The SDLP is having to protect its flank and, for sheer survival, is being forced to take a more hard-line attitude on a number of issues to prevent PSF grabbing the electoral advantage. Outmanoeuvred by abstaining in the city council on a move to take London out of Londonderry, SDLP members found it being used as a weapon against them in the election.

and have now decided to drop a 10-year practice of rotating the mayor's office between parties. It all fits uneasily with party leader John Hume's efforts in Dublin to build a new Ireland for all traditions. And it is unlikely that the SDLP can ever completely outflank the PSF by attempting to prove which is greener.

In Belfast, Mr James Prior says he will never meet Mr Adams until he renounces violence, but in the next breath admits that the MP will meet junior ministers in delegations about constituency business. The irony isn't lost on PSF, which remembers that Mr Adams was released from internment in the early 1970s and flown to London for talks with Mr William Whitelaw.

And despite Mr Prior's hopes, he probably knows in his heart that it will be tantamount to political suicide for the SDLP now to enter the Northern Ireland Assembly. Imagine the howls of "collaborationists" that would be hurled by the men now breathing down their necks and aiming to replace them as the major voice of nationalism in the province.

Even the idea of appointing local politicians, including nationalists, to head departments at Stormont is dismissed by the SDLP, whose attention until the end of the year is focused on Dublin's lifeline to them - the new Ireland forum.

The idea of some form of Anglo-Irish council may be resurrected, although this would engage Unionists who are more confident than ever, having taken 15 of the province's 17 seats in the general election. Some were even heard to suggest that in those seats where they were defeated they would prefer PSF to win rather than the SDLP, as it would mean the nationalist case would not be put at Westminster.

"It's us or the Provos", Mr Hume declared at every opportunity during the campaign, insisting that the Irish question would dominate the next Parliament. Unthinkable though it is, if the forum fails to reach agreement, or much more likely Mrs Thatcher continues to display an apparent lack of sensitivity to Irish nationalism, what then for the SDLP? It would be left with nothing to show for its efforts and the Provos vindicated in their belief that the only thing Britain takes note of is force. With elections due every year in Northern Ireland until 1986, the consequences could be fatal for the SDLP facing an organization campaigning on the simplistic "Brits Out" theme, coupled with a record of active constituency work.

Of course it could all go wrong for PSF. The divisions in the organization over going political may surface. There are fears that they will inevitably be drawn into the world of "wheeling and dealing" if they

take local council seats after the 1985 local government elections and that military operations will be given less emphasis. That might lead to a haemorrhage of support, with disaffected military men leaving for the rival Irish National Liberation Army. But so far the delicate balance between the Armalite and ballot box is working and, after all, Mr Adams and his colleagues have so far been associated with success in the North.

Both Mr Prior and Mr Hume continually point to the 1950s when Sinn Fein got 150,000 votes plus seats at Westminster and Dublin, with the Secretary of State openly hoping that as then, so now they will eventually "fade away". Politicians and officials in the Northern Ireland Office believe that PSF will soon tire of broken window and cracked paving stone politics, but they give the impression of whistling in the dark.

PSF is already talking of contesting the European, local government and then the next assembly elections. It is on a rising tide which could pick up much of the Catholic vote if it continues. As Mr Prior sombrely admitted on his return to Stormont after the general election: "A lot of things are dead if this were to continue". And he was not just talking about people being killed.

Richard Ford

Prospects poor

The best paid, and least secure job in local government will soon be up for grabs: director-general of the Greater London Council, from which the present incumbent, Sir James Spafford, who is 60 next year, will announce his retirement soon.

In the picture

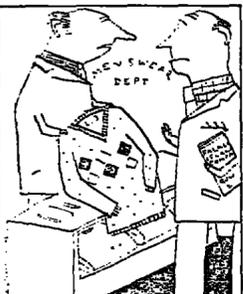
Artistic in arts and heritage circles over the Government's failure to appoint an arts spokesman in the Commons seems to be the result of difficulty in finding a suitable candidate. One minister is understood to have turned down the post already. Hopes are now being pinned on John Biffen, who, as well as having the necessary clout as a senior Cabinet minister, was until recently a trustee of the National Portrait Gallery.

On a rainy day for the members of Jesus College, Oxford, the question is asked: "How are you feeling today?"

Footloose

Margaret Thatcher was the object of unambiguous fascination at the summit, and the people of the town, like the world's press, focused on her more than on any other leader. On Saturday night, while she was walking back from the first and victorious round of her budgetary battle, she was confronted by a woman who had thrust herself forward for an autograph, which was graciously granted. As she approached the Graf Zeppelin Hotel, a host of sightseers burst into spontaneous applause. A British journalist in the party was heard to remark: "If this kind of thing goes on, she's going to want to walk everywhere."

BARRY FANTONI



"It's guaranteed 100 per cent Argentine wool, sir"

Oscargill?

When baron Arthur Scargill will be making an unexpected debut as an actor in a left-wing theatre group called Badinage has its way. The group, whose work will be shown at this year's Edinburgh Festival, has asked the president of the National Union of Mineworkers to make a brief guest appearance in a five-minute black and white film which introduces the company's revue, Lord Godwin's Dusty Coalface. The film shows two men going to a colliery and a factory in search of work, and Badinage envisages Scargill suggesting they go straight to the Edinburgh Festival for employment.

Baker's roles

I thought for a moment that a politician slightly further to the right had already been beguiled by show business, for one of the main parts in the new Star Wars episode is called Kenny Baker. I fear this is not the Kenneth Baker who has returned, Jedi fashion, to his Ministry of Information Technology - unless he has deliberately adopted the diminutive of his Christian name for his career in movies.

New leaf

All-change again in the heir-apparent's seat at the publishers Weidenfeld and Nicolson. Out go Stephen Day Sautoy and Russell Ash, two of the closest aides of the 63-year-old Lord Weidenfeld. In, as deputy chairman, comes Michael O'Mara, mass-market oriented head of the international packagers, Rainbird.

Not until they posed together for Ariel, the BBC's house magazine, did anyone realize that the team of expert commentators assembled for the World Cup is itself a perfectly balanced cricket eleven. It includes two fast bowlers, Fred Trueman and John Snow; an ideal all-rounder, Fred Titmus; a wicket-keeper, Farokh Engineer. The team could open its batting with the interesting combination of Peter Richardson and Colin Milburn and depend on a cast-iron middle order of Peter Parfitt, Mushtaq Mohammad, Mike Denness and Peter Walker, two of whom could assist with the bowling.

سكرا من الامم



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THE MAN FOR THE FED

The world does not usually wait on the appointment of officials. Yet the race for the chairmanship of the United States Federal Reserve Board - in effect America's central bank - has been followed as closely in London, Paris and Tokyo as in Washington and on Wall Street.

Foreigners are interested mainly in United States interest rates, which can make or break the world recovery, sink or sustain the world's debt-ridden industrializing nations. Wall Street remains more concerned with sustaining the battle against inflation. Yet Mr Paul Volcker, the incumbent whose reappointment was announced by President Reagan during a weekend broadcast, contrived to be the favoured candidate both of Wall Street and of the waiting outside world. This paradox, one of several, helps to explain Mr Volcker's strength and why his appointment is seen as significant.

As a conventional by-product of America's separation of powers, the chairman of the "Fed" is in operational control of interest rates, the sharp end of United States monetary policy. That was important enough when Mr Volcker, already banker, central banker and former Treasury under-secretary for monetary affairs, was first appointed by President Carter.

The dollar then was weak, interest rates rising and inflation a growing problem. Mr Volcker stamped down hard. In America's huge, home-dominated economy - much more in tune with monetary textbooks than our own - he was on the way to beating inflation before Mr Reagan swept to office on that policy ticket.

Yet the advent of Mr Reagan, with his tax-cutting supply-side approach, placed an even greater burden on monetary policy. Mr Volcker remained firm, sending both interest rates and unemployment to levels together unprecedented in modern times in the cause of lower inflation.

and a strong dollar. To critics in Congress, the administration and America's industrial cities, the result was called Volcker's recession. Those critics came both from the left, which condemned unemployment and from the right, which distrusted Mr Volcker's criticism of the high budget deficit and his determination, blinkered in their eyes, to resist what, to his eyes, were its inflationary effects. That determination earned him his support from Wall Street.

That interaction of policies had a profound effect on the rest of the world. It aborted Britain's portended recovery in the autumn of 1981, transformed third world debt problems to a crisis by exacerbating both recession and money costs, sent world currency markets into a spiral of instability, and thereby unleashed a new tide of protectionism to the particular chagrin of Japan.

Since then, Mr Volcker has disarmed much of the criticism this produced in the rest of the world. Most have grown to appreciate his role, the role of the United States, in bringing inflation under control worldwide. The world now trusts Mr Volcker because the authority he has built up has allowed him to be much more pragmatic and sympathetic in the past year.

At the crucial moment when the American economy showed signs of recovery, Mr Volcker ignored the US money supply figures, which were way above target but statistically ambiguous. He let interest rates fall and has since resisted the temptation to raise them again. Americans give this pragmatism a domestic slant. The rest of the world attributes it to the impending default of Mexico and a string of other countries that would have tested the world banking system - and most notably America's multinational banks - beyond breaking point.

Either way, he earned unaccustomed popularity. That was

supplemented, in Europe and Japan, when he publicly endorsed the case for limited intervention in foreign exchange markets as a counterpart to more fundamental moves - principally cuts in the US budget deficit - needed to stabilize currencies. His attitude contrasted with the unsympathetic and astonishingly insular utterances of other administration officials such as Mr Donald Regan, the Treasury Secretary or Mr Martin Feldstein, chairman of the council of economic advisers.

In the tangled world of American government this made Mr Volcker, he of the recession, almost a "wet" to the hard-liners and supply-siders in Washington, who wanted him replaced when his term expires in August. But it made him the foreigners' candidate, to the extent that the chairman of Japan's central bank publicly hoped that he would be reappointed.

The policy differences may seem mere nuances. But Mr Volcker became a test case of the attempts by the European nations and Japan to use the Williamsburg summit to make the United States more aware of the problems of the rest of the world and the intimate part played by American monetary policy in their future.

Now Mr Volcker has another four years. But the big problems remain. It is vital that American interest rates should not go into reverse, because that would destroy the hard-built confidence in a sound, sustainable recovery in the world economy. Sharper falls in interest rates needed for a faster and more complete recovery require some end to the projected line of huge American budget deficits. They are nothing to do with Mr Volcker. The President wants cuts in social spending. The Congress look for cuts in defence spending or a reversal of Mr Reagan's intended tax cuts. We are all interested spectators of Washington's continuing impasse.

DO-IT-YOURSELF OPPOSITION

Within minutes of the first general election results being declared the absence of strong opposition in the new parliament had become a lament verging on cliché. That must have baffled foreign observers long accustomed to complaints about the damaging effect of adversarial politics and discontinuity in Britain. Yet the apprehension is genuine. Parliamentary opposition is vital, a long-term guarantee of choice and, therefore, liberty. In the short term it is an essential instrument of efficiency and accountability.

It would be unjust to dismiss in advance the new Tory intake as quiescent lobby fodder. The 1979 Conservative influx proved to be a spirited lot. Some took part in sporadic backbench revolts. Others took on their party's great men when ministers appeared before the fourteen new select committees established under the guidance of Mr Norman St John-Stevens when Leader of the House.

In fact, the select committees could be the key to sensible and successful opposition in a Commons brimming with

Tories. In a letter to Mr Edward du Cann, chairman of the liaison committee of select committee chairmen, that was released a few hours before the old parliament was dissolved, Mr John Biffen, Leader of the House, acknowledged "that the departmental committees have now established themselves as an important part of the general structure of parliamentary scrutiny". The Conservative manifesto took pride in the "modernized" committees and promised "to pursue sensible, carefully considered reforms where they are of practical value".

The fuel that drives select committees is evidence, written and oral, often taken at great length. The propellant of more traditional forms of opposition across the floor of the chamber is all too frequently a volatile blend of venom and prejudice. Whitehall is already aware of the potential of select committee scrutiny when formulating policy across nearly the whole range of government. In this fashion, backbenchers can exert influence since policy-makers are constrained to think things through and have their justifi-

cations ready, before a single witness is called or memorandum requested.

One regrettable consequence of the Conservative landslide and the earlier reselection process required by boundary changes is the number of formidable exponents of the select committee art whose names are on the casualty list. In a non-partisan sense the Commons is a poorer place without Mr Joel Barnett, Mr Christopher Price, Mr John Garrett and Mr Michael English. A number of stalwart select committee men are still there - Mr Edward du Cann, Mr Terence Higgins, Mr Robert Sheldon, Dr Jeremy Bray, Dr John Gilbert and Mr Bruce George among them.

What remains to be seen is how keen the new Tories will be to sign on for select committee membership. If they have any sense they will form a queue. It is a high calling and an important public service. What is more, skulking mighty ministers and grilling grand officials is a stimulating break from passing with your party through the division lobby.

MR DENG CONSOLIDATES

The endorsement by the National People's Congress of Mr Li Xianmin as China's new President is no surprise: three-quarters of the delegates to this sixth congress were newcomers and thus likely to be supporters of Mr Deng's pragmatic, progressive wing of the party, ready to appoint a candidate who would best serve Mr Deng's ends. With Mr Li as president, and the new vice-premiers announced yesterday, Mr Deng has won the same control over the government establishment as he did over the party at last autumn's twelfth party congress.

Mr Li is a compromise candidate, marked out by no intricate or obscurely Chinese political characteristics that would be unfamiliar to those who have observed the jockeying for the Labour Party leadership in Britain, past or present - except that in China these things are not at all public. To begin with, Mr Li's revolutionary record is unimpeachable. He has been a party member from his earliest days, is a veteran of the Long March and wears medals from the varied campaigns that led to the communist victory in 1949. As far back as 1954 he was installed as Finance Minister and ever since has held posts concerned with the economy. He is thus almost a unique survivor of three turbulent decades. He

has not lost his badge as a faithful servant of Mao but was sufficiently roughed up during the cultural revolution not to be identified with the worst aspects of that disastrous explosion.

After Mao's death in 1976 Li retained his place in the leadership under Hua Guofeng, but was not so determined a supporter of Mr Hua as to be unacceptable to Mr Deng when he gradually turned the tables on Mr Hua's team. Li is truly the man in the middle, without serious enemies, able to earn respect from most quarters of China's top political leadership. But to what extent, it might be asked, if such a compromise candidate has to serve lest divisions become wider, are such divisions still a threat to China's stability?

One part of the answer can be read from the current National People's Congress meeting. If the army has been the only possible source to promote a political reversion, it can be seen that Mr Deng now has the power to stop any such attempt. He was confirmed at last year's party congress as head of the party military commission: he is now to head the newly established government body to command the army. It may also be noted that where three-quarters of delegates to the congress were newcomers no less than seven-

eights of those in the large military delegation were new and undoubtedly of the Deng persuasion.

Certainly there are still pockets of resistance, not so much from ideological devotion as from the wish to hold on to jobs acquired during the cultural revolution; hanging together rather than hanging separately being the cohesive force. One such pocket lately attacked concerned the upper ranks of the party in Guangxi province, adjoining the Vietnam border. Such operations take time and are, indeed, obscurely Chinese in their working. Another case has been Hunan University - in Mr Hua's old constituency - where an obdurate attachment to Maoism has kept supporters of the order on the sidelines.

Too much can be made of such cases. In general Mr Deng's mass support has steadily grown. The power and independence of government is once again growing away from bureaucratic party control - as it had begun to do in the fifties when China was first setting out on the road of modernization to which Mr Deng has sought to return it during these last five years. There is little reason to doubt that the road ahead looks fairly secure. The stability and continuity that China so badly needs are now in prospect.

Threat to arts on South Bank

From Mr Ian Horsburgh
Sir, Your feature (June 10) on the restructuring of the organisation of the South Bank concert halls from the present management to direct control from the GLC highlighted several issues, but failed to emphasise what must be of fundamental concern to both audiences and promoters - what factors will govern the artistic policy of the halls?

A major venue such as this plainly has the responsibility to encourage a wide range of events and the remarkable variety of the musical life in London relies absolutely upon the freedom of the promoters, who take the risks, to present what they will. For instance, the activities of those organisations such as ours, which are largely concerned with the presentation of new music do not attract vast audiences, but provide a permanent essential to a vigorous cultural life.

What now must concern us is the threat that our activities on the South Bank are going to be proscribed simply because they are not, apparently, pulling in the crowds.

Events over the past two years have seen a welcome broadening of attitude and commitment to the arts by the GLC, although not always comprehensible. These proposed changes at the South Bank halls may indeed be in the long-term interest, but the absence of any discussion with those most affected is a matter of the utmost concern.

Yours faithfully,
IAN HORSBURGH, Chairman,
The New Macnaghten Concerts,
The New Macnaghten Road,
Twickenham,
Middlesex,
June 14.

Waterloo wasteland

From Mr D. R. Whitaker
Sir, Whilst I am completely in agreement with any improvements which can be made to the South Bank site (letters, June 7, 11) surely it would be better value to make more use of the north bank of the Thames opposite, between Waterloo and Westminster bridges.

On this side there are a number of long but narrow gardens, none of which are connected and none of which overlook the river.

The Embankment itself is now virtually a no-go area for anyone not in a fast motor car instead of being, as it should, one of the most attractive walks in central London.

Could we not turf over the road surface of the Embankment and thus make a most delightful large riverside park to take the weight off St. James's Park and Trafalgar Square?

Yours faithfully,
DAVID WHITAKER,
The Dover House,
Crawton,
Hants,
Hampshire,
June 8.

Monumental misery

From the Reverend Julian Barker
Sir, Your correspondent's article on June 10 (early editions) about kitchen ornaments in churchyards contains one extraordinary remark. Diocesan authorities do indeed discourage white marble and other materials and designs which do not blend well with the atmosphere of country churchyards, but I have never heard of any who were opposed to the use of wooden crosses.

These seem an ideal form of memorial. A stout oak cross, properly treated, might expect to last for 70 years and if concerned relatives are still about it should not be too expensive to replace. It poses few problems for mowers and is in keeping in any churchyard.

I imagine that the low fee of £3 for wooden crosses in the table of fees authorized by the General Synod is deliberately intended to encourage their use.

Yours etc,
JULIAN BARKER,
Repton Vicarage,
Derby,
June 11.

Beating the blackout

From Mr F. G. Gough
Sir, When, as a boy, I haunted the dear old Finsbury Library, I frequently observed readers of the newspapers doing so with the aid of a magnifying glass.

My own conscience was disturbed by the sight of fellow citizens, hungry for news and enlightenment yet too poor to afford spectacles.

What they were doing, of course, was penetrating the blackout which smothered the racing intelligence.

Yours faithfully,
F. G. GOUGH,
76 Dalketh Grove,
Stannore,
Middlesex,
June 11.

Imprisoned in Thailand

From Mr John Richard Du Cane

Sir, The many British prisoners serving sentences in Thailand for narcotics-related offences are anxiously awaiting the outcome of the UK Government's deliberations over whether or not to take the necessary steps to ensure that a prisoner transfer treaty will be negotiated between Britain and Thailand.

LETTERS TO THE EDITOR

Electoral reform in Britain and Europe

From Sir Anthony Kershaw, MP for Stroud (Conservative)

Sir, I have been active in the House of Commons on the Conservative side in arguing the case for a more proportional system of elections in this country.

However, the Liberal Party have given repeated indications that they would in the future always ally themselves with Labour, as they have in the past, rather than with the Tories.

The Labour Party has shown beyond doubt that it contains a strong element of Marxism, within its ranks. Unless and until the Labour Party purges itself of Marxism, it would be deeply harmful to the interests as well as to the recent emphatically expressed wish of the country to allow Mr David (Kerevsky) Steel the chance to put Labour in.

Yours, etc,
ANTHONY KERSHAW,
House of Commons,
June 15.

From Mr Michael J. Taylor
Sir, It is of course tempting, in the wake of the general election, for those displeased with the result, whether for partisan or more altruistic motives, to point to electoral systems operating in other countries as being more equitable, and to speculate on the effect that these would have had, if applied retrospectively, on the results of our recent contest.

This is an interesting if largely academic exercise, as it is surely true that the system used to some extent influences voting patterns, and it is unlikely that the figures of June 9 would have been exactly the same had our method of election been a different one.

Leaving this aside for the moment, however, if we are to speculate in this way with a view to changing our system, we should at least be sure that ours is one of the other systems is an accurate one. In this respect, it is necessary to modify the picture presented of the French system by your correspondent, Mr Tarassenko (June 15). He states that "if no one polls more than the required 50 per cent the top two candidates return to fight it out in the second round."

This is the case in a presidential election, but not necessarily so in a parliamentary contest, where the only candidates automatically eliminated after the first round are those failing to obtain 12.5 per cent of the votes cast. The fact that so many third, fourth and, on occasions, second-placed candidates who could

Neglect of the Western Isles

From Mrs Kenneth Stewart of Coll

Sir, Last year Mrs Thatcher's Government quite rightly defended the Falklands against the Argentine invasion and are subsequently spending vast sums garrisoning the islands, but I hope they will not lose sight of the fact that there are many small islands around the coast of Britain fighting for survival against enormous economic pressures.

In the last year food prices have not risen so rapidly, but I would like to quote the prices we pay for various commodities in the Isle of Coll compared with a mainland (Oban) supermarket:

It is, I think fair to say, in conclusion, that the present French system has resulted in a higher degree of polarization between the two main blocks to the detriment of the centre, and, moreover, that this is a consummation devoutly wished by many Frenchmen who have, for decades, cast an envious eye on our political set-up and the possibilities of stable and consistent government - of whichever colour - which it offers.

Yours faithfully,
MICHAEL J. TAYLOR,
Willow Rise,
Priston,
Near Bath,
Avon,
June 16.

From Dr Mark Villiger
Sir, As a visitor to your beautiful country I have followed with interest the current debate in your columns on proportional representation. My home country, Switzerland, has had a permanent coalition government since the 1950s. It consists of four parties which cover the whole political spectrum from left to right (SPS, FDP, CVP, SVP). The seven members of government (Federal Councillors, Bundesräte) represent the various regions and languages and act as a collegial body where the president, who changes annually, has mainly representative functions.

Naturally, this system raises its own typical problems, but government by consensus has certainly given the country stability.

Yours faithfully,
MARK VILLIGER,
42 Hurst Park Avenue,
Cambridge,
June 15.

One urgent step is to put into a coherent whole the bits and pieces of reactive policy currently elicited in response to the successive agendas of international agencies and meetings in which our Government takes part. Another would be to respond to the willingness of the Commonwealth Secretariat to assist in developing a unit to multiply the sharing of expertise and aid among Commonwealth countries.

In looking forward to some constructive practical follow-up of the challenge you have posed, may we hope that it will embrace not only such contentious areas as David Watt has specified, but also the wealth of uncontentious opportunities at our disposal, even in these hard-up times, to enable Britain at last to respond to Dean Acheson's friendly taunt about having lost an Empire and not yet found a role?

A lead in this area from the new Government would be widely welcomed and would cost very little.

Yours etc,
D. J. C. LAMING,
Treehays, Crabb Lane,
Aldington,
Exeter,
Devon,
June 10.

On a clear day

From Mr A. C. Denny

Sir, Mr Alan Searle (June 17) is mistaken in his method of calculating the distance at which one mountain top is visible from another. The correct method is to add together the distance to the horizon from each mountain.

The horizon from Beinn Sgulaird (3,059 feet) is therefore over 72.1 miles, and from Slieve Snaght (2,019 feet) more than 58.9 miles, since those are the horizons given in Whitaker for 3,000, 2,000 feet.

The two mountains therefore have a combined horizon of over 131 miles. Careful checking in my atlas indicates that the mountains are about 125 miles apart, rather than the 150 miles which Mr Barratt estimated (June 7), so that given the conditions he describes, he would not have needed much assistance from either refraction or a few drams of something strong to see the mountains of Donegal from Beinn Sgulaird.

Yours faithfully,
A. C. DENNY,
37 Glebe Road,
Cham,
Surrey,
June 18.

From Dr Wilfred Taylor

Sir, On the summit of Beinn a' Bhraigaidh (1,293 ft) near Golspie stands a huge statue of a Duke of Sutherland. Across the Moray Firth, about 40 miles away, on the crest of Ladbull in the city of Elgin, rises a Tuscan tower crowned by a statue of a Duke of Gordon. Most of the intervening distance is occupied by water but a low ridge rises between the Duke of Gordon and the firth.

I like to think that their Graces, on clear days, can exchange dual glances. Acrophobia and a certain stiffness of limb prevent me from any attempt at empirical verification. Perhaps some nimble scholar at Elgin Academy, Golspie High School, or Gordonstoun could solve this problem in patrician intervisibility.

Yours sincerely,
WILFRED TAYLOR,
11 Jordan Lane,
Edinburgh,
June 7.

A shared role overseas

From Mr Max Nicholson

Sir, In his timely article ("Who will invent our foreign policy?", June 17), David Watt opens up an important area of debate, but he offers disappointingly little towards the modern strategy for which he indicates the need. Coincidentally the launch last week of the Conservation and Development Programme for the UK included a highly relevant if partial contribution, written by Richard Sandbrook, of the International Institute for Environment and Development, for a group under the chairmanship of James Porter, Director of the Commonwealth Institute.

Focusing on the UK's embryonic overseas environmental policy, this report showed what a large and diverse range of official, academic, consultancy and other resources are available in Britain to assist conservation and development worldwide, if only simple positive measures were taken by HM Government to enable them to make their full potential contribution in fields presently largely abandoned to our competitors.

Products of design

From Mr Michael French

Sir, Your correspondent, Torin Douglas ("Why British management is being told to put emphasis on design," June 14) writes as if the less important part of design, design for appearance, was the whole, and ignores the rest. In some of the products he mentions the most important part of the design has been done by engineers - the British Leyland Range Rover, the Sinclair ZX81, and the Westland 30 Helicopter.

Most consumers want a product which functions well and is reliable and good value for money, aspects which are normally the concern of the engineering designer, although industrial designers also work on them for the simpler products.

Design for appearance is only the conspicuous tip of a very substantial iceberg, the whole of which is important to our economic survival.

Yours faithfully,
MICHAEL FRENCH,
University of Lancaster,
Department of Engineering,
Bailrigg, Lancaster.

Protecting plants

From Mr Kenneth S. Solly

Sir, I share Sue Maye's concern (June 14) over the need to protect what little remains of our native wild plant life with special reference to orchids, many of which have become extinct over recent years. Outside botanical circles, however, very few people in this country would be able to recognise a legally protected plant if they saw one.

I am convinced, therefore, that our native flora would stand a better chance of survival if we were to follow the example of the Swiss Nature Conservancy Board, which displays large colour posters of protected alpine plants in public places at every resort as well as in schools. These posters furthermore define clearly in four languages whether the plant concerned enjoys complete or semi-protection.

Yours faithfully,
KENNETH S. SOLLY,
Yara,
Ravens Road,
Shoreham-by-Sea,
West Sussex,
June 16.

servicing over 35 years for the possession at Don Muang airport of a very small quantity of heroin, an amount that would have lasted me a few days, at the most.

Like many of my fellow western prisoners, I was a heroin addict, in need of hospitalization and rehabilitation. Now instead, I face an indeterminate period.

Besides the loneliness and cultural isolation of an alien environment are the daily problems of survival, of which health is the central one. The Thai prison diet is inadequate for a western person to maintain basic health.

Prisoners who fall victim to the highly prevalent and debilitating diseases, like TB and typhoid, must somehow finance their own treatment. We live in constant fear of catching an illness. It is not surprising that a disproportionate number of foreign prisoners have died in the last few years.

Lack of facilities, the absence of meaningful work or educational

COURT AND SOCIAL

COURT CIRCULAR

BUCKINGHAM PALACE
June 20: The Hon Anthony Berry, MP had the honour of being received by the Queen and delivered up his sword of office on relinquishing his appointment as Treasurer of the Household.

YORK HOUSE ST JAMES'S PALACE
June 20: The Duke of Kent, President of the All England Lawn Tennis Club, today attended the opening day of the Wimbledon Championships.

Forthcoming marriages
Mr M. J. V. Bell and Miss M. Shippen
The engagement is announced between Michael, elder son of Mr and Mrs C. R. V. Bell, of Ditching Common, Sussex, and Mary, only daughter of the late Mr J. W. Shippen and Mrs M. Shippen, of Shiremoor, Northumberland.



Polish veterans of the Special Operations Executive at Audley End, Essex, admiring a memorial to the 108 members who died after parachuting into Poland between 1941 and 1944.

Whitehall brief
Unlucky 13 for 'think-tank'

There was much sympathy in Whitehall last week for the members of the Central Policy Review Staff (CPRS) when the review of the Government's economic strategy was published.



Mr John Sparrow: Last director.

laden advocacy masquerading as policy analysis of the CPS variety. The CPRS output, analysis that sticks tightly to evidence plus candour about the pitfalls of policy change, does not suit her temperament.

Mr R. L. Hodgkinson and Miss J. L. Rack Keane
The engagement is announced between John Robert, son of Lieutenant-Colonel R. B. Hodgkinson and the late Mrs I. M. Hodgkinson, of Stennington House, Stratford-on-Avon, and Julia Isabel, younger daughter of Mr and Mrs R. Rack Keane, of Troy, Ewelme, Oxfordshire.

Mr John Sparrow: Last director.
and Sir Keith Joseph founded in 1974 to pioneer a new brand of Toryism.

Mr George Benson
Mr George Benson, who died on June 17 at the age of 72 was a character actor who had served the stage long and well in a varied career.

Luncheon

Overseas Bankers Club
The Lord Mayor, accompanied by Alderman and Sheriff Alan T. Trull, was entertained by the Hon. Mrs. J. J. Franks at the Overseas Bankers Club, Mr Ian Fraser, and Mr W. J. A. Dacombe, chairman, at luncheon at the club yesterday.

Dinners

Company of Scientific Instrument Makers
The Lord Mayor and the Lady Mayores, accompanied by the Sheriff and their Ladies, were present at a dinner held by the Company of Scientific Instrument Makers at the Mansion House last night.

Receptions

Lord Inglewood
The Anglo-German Association held its annual summer reception last night at the House of Lords. Lord Inglewood, Chairman, received the guests who included:

National Sporting Club

Lord Strathcarron presided at a dinner preceding a boxing evening in the Café Royal last night. The guests included:

Church news

Appointments
The Rev Canon R. J. Milner, Rector of the Southampton (city central) team ministry, and an honorary canon of Winchester Cathedral, is to succeed the Venerable Michael Adie, Bishop elect of Guildford, as Archdeacon of Lincoln.

Resignations and retirements

The Rev R. D. Bell, Vicar, Ely, Cambridgeshire, has resigned the living of Ely, Cambridgeshire, to become a Canon of Ely Cathedral, Cambridge.

Sir William Walton, OM

A service of thanksgiving for the life and work of Sir William Walton, OM, will be held in Westminster Abbey at 4.30 p.m. on Wednesday, July 20, 1983.

Fishmongers' Company

The Wardens of the Fishmongers' Company until June 18, 1984 will be: Prime Warden: Mr J. V. G. Mallet; Second Warden: Mr A. M. J. Tennyson; Third Warden: Mr John Norton; Fourth Warden: Mr Peter Vanneck; Fifth Warden: Viscount Leverhulme; Sixth and Renter Warden: Major-General the Duke of Norfolk.

Yorkshire wins pairs contest

Yorkshire won the English Bridge Union's inter-county pairs championship for the Reg Corwen trophy played at the Grand Hotel, Birmingham, at the weekend. Pairs qualify for the event only through success in their own county's pairs championship.

A job well done, says Mr Sparrow

Mr John Sparrow, director of the Central Policy Review Staff, said yesterday that it was important to distinguish individual decisions from longer-term 'think-tank' work.

University news

Oxford
Dr David Smith, university lecturer in pharmacology and student of Christ Church, has been appointed to the chair of pharmacology from October 1984.

Latest appointments

Latest appointments include: Professor Lewis Spence to be honorary consultant to the Army in paediatric surgery from June 6.

Lincoln appeal

Lincoln Cathedral's Wren Library has been moved temporarily to Nottingham University Library after the discovery of death-watch beetle and structural weakness in the building's floor and roof.

Latest wills

Latest estates include (net, before tax paid): Miss, Dona, of Parkgate, Cheshire, £273,315.

SIR GERALD CREASY

B. L. B. writes: Sir Gerald Creasy, whose obituary you published on June 13, was one of the most successful Governors of Malta from 1949 to 1954.

Birthdays today

Miss Benazir Bhutto, 30; Brigadier Helen Cattanach, 63; Professor Anna Davies, 46; Mr J. J. Edrich, 46; Mr J. J. Edrich, 46; Major General R. F. K. Goldsmith, 76; Mr Gerald Kaufman, MP, 53; Professor Patricia Lindqvist, 53; Miss Mary Marbury, 71; Mr Peter Marbury, 53; Sir Cyril Mungro, 83; Mr Hugh Ross, MP, 56; Miss Francoise Sagan, 48; Lord Sinclair, 69.

Lauderers' Company

The following have been elected officers of the Launderers' Company. Master: Mr Stuart Laurie-Walker; Deputy Master: Mr Richard L. Pennington; Renter Warden: Mr Roy Le Poidevin.

Leverhulme Trust

The trustees have approved the following awards to individuals under schemes administered by their research awards advisory committee.

GRANTS

Mrs GILLIES AVERY, author: History and...

Levin

social background of American children's books. Open University, 1982-1983.

Levin

Shakespeare, 1582-1616 with special reference to the problem of attribution of plays to Shakespeare.

Levin

Levin: To work towards the completion and publication of a series of studies on the evolution of the English language.

Levin

Levin: To work towards the completion and publication of a series of studies on the evolution of the English language.

OBITUARY

MR SIMCHA ERLICH Deputy Prime Minister of Israel

Mr Simcha Erlich, who had been Israeli Deputy Prime Minister since 1979 and, as leader of the Liberal Party, played an important part in assuring a majority for Mr Begin's government, died in Jerusalem on June 19 at the age of 67.

MR GEORGE BENSON

Mr George Benson, who died on June 17 at the age of 72 was a character actor who had served the stage long and well in a varied career.

ROBERT A. LEWIS

Robert A. Lewis who was copilot of the B-29 bomber Enola Gay, which dropped the atomic bomb on Hiroshima on August 6, 1945, died in hospital in Newport News, Virginia on June 18. He was 65.

SIR GERALD CREASY

B. L. B. writes: Sir Gerald Creasy, whose obituary you published on June 13, was one of the most successful Governors of Malta from 1949 to 1954.

REV DR ERIC ABBOTT

A friend writes: In many parts of the world individual men and women are coming to terms with the fact that Eric Abbott has died.

Investment and Finance

City Editor Anthony Hilton

THE TIMES

City Office 200 Gray's Inn Road London WC1X 8EZ Telephone 01-837 1234

STOCK EXCHANGES

FT Index: 727.8 up 13.7 FT GIBTS: 82.3 up 0.16 Burgundy: 23.005 Datastream USM Leaders Index: 97.94 up 1.49 Tokyo: Nikkei Dow Jones Index: 8711.73 up 9.05 Hongkong: Hang Seng Index: 987.79 up 0.9 New York: Dow Jones Average (latest) 1240.58 down 1.61

CURRENCIES

LONDON CLOSE Sterling \$1.5305 up 65pts Index 84.3 up 0.3 DM 3.9050 up 0.0075 FF 11.7450 up 0.025 Yen 366.75 up 1.05 Dollar Index 125.4 up 0.3 DM 2.5490 down 2pts Gold \$418.50 up \$5.50 NEW YORK LATEST Gold \$418.50 up \$5.50 Sterling \$1.5310

INTEREST RATES

Domestic rates: Base rates 9 1/2% 3 month interbank 9 1/2% - 9 3/4% Euro-currency rates: 3 month dollar 9 1/2% - 9 3/4% 3 month DM 5 1/2% - 5 3/4% 3 month Yen 15 - 14 1/2% ECGD Fixed Rate Sterling Export Finance Scheme IV Average reference rate for interest period May 4 to June 7, 1983 inclusive: 10.334 per cent.

PRICE CHANGES

Chloride 26 + 3p Chloride "A" 175 + 20p Rotaprint 13.5p + 1.5p Premier Coils 44.5p + 4.5p Kleinwort Bank 353 + 35p Hawkins & T 34p + 3p Montfort Knit 45 - 7p St Helens 228.25 - £2.125 GPO Group 55.5p - 4p Markvale 287p - 20p Rossmore 58p - 4p Glossop 63p - 4p

TODAY

Interbank Aldcom Int'l, S & W Berisford, J H Fenner Holdings, British Dredging, feedback, London & Associated Investment Trust, Marshalls (Halifax), Paterson Jenks, Walker & Staff Holdings, West's Group International, Whitcroft. Economic statistics: Cyclical indicators for the UK economy (May).

NOTEBOOK

Mezzanine Capital Corporation, a fund specializing in providing "mezzanine" and "leverage" buyout finance in the US, is offering 3 million participating redeemable preference shares for subscription to the public. Uncertainty over interest rates overshadow the gilt market. Page 14

Trafalgar House bid decision

Mr Cecil Parkinson, the Trade and Industry Secretary, is expected to decide today or tomorrow whether the £30m bid by Trafalgar House for P & O should be referred to the Monopolies and Mergers Commission. Trafalgar has said that if the bid was allowed to proceed it would cooperate with a government investigation into the shipping industry.

SOTHEY PURCHASES

Mr Alfred Taubman, the American property millionaire, admitted owning just over 10 per cent of Sotheby's, for which he hopes to make a full bid. He revealed more small purchases, with 620p per share being the highest price paid. That is only 10p short of the price put forward by rivals, Knoll International Holdings.

NORTON'S THROW

Norton Opax is unlikely to reveal an increased offer today for John Waddington, the Monopoly game makers. Its all-share offer was dwarfed on Friday by a bid from British Printing and Communications Corporation. Norton, obliged to make some statement under takeover rules, is more likely to extend until details of BPCC's bid and Waddington's defence has emerged.

MEXICO RIGHTS

Mexico Fund Inc is to issue up to 4.9m new shares with a rights issue. The issue, which will nearly double the share capital, is being made because of investment opportunities in Mexico. The price will be set at the time of the offering.

WALL STREET

Early rise in stocks reversed

New York (AP Dow Jones) - Stocks turned downward after moving higher in early trading. The Dow Jones Industrial Average was down about three points after its first hour advance of more than five points. Declining issues moved ahead of advances.

Trading was moderately active with relatively few large block transactions. Two important developments over the weekend were worth noting. Mr Larry Wachtel, first vice-president at Prudential-Bache Securities, said: "There was no surprise in Paul Volcker's reappointment to head the Fed and there was no surprise in the big rise in the money supply. The Volcker news may have provided some encouragement to the unfurled. And next weeks money supply is duty-bound to drop back."

Mr Wachtel said that after six sessions of advance "tired blood" showed on Friday and probably would again. The market's initial blip upward in the morning was cut into by profit-taking.

American Telephone & Telegraph fell 1/2 to 55 1/2, Bethlehem Steel 1/2 to 23 1/2, and General Electric 1/2 to 56 1/2.

General Motors rose 1/2 to 71 1/2, Digital Equipment 1/2 to 113 1/2, and Southern Pacific 1/2 to 71 1/2. Westinghouse was down 1/2 at 51 1/2. Honeywell was up 1/2 at 114. International Business Machines was up 1/2 at 121 1/2, and Commodore International was down 1/2 at 53 1/2. Merrill Lynch was 105 1/2, up 1/2. Atlantic Richfield was 48 1/2, up 1/2. Control Data was 60 1/2, down 1/2. Burlington Northern was 89 1/2, down 1/2. Cummins Engine was 61 1/2, down 1/2. Philip Morris was 60, up 1/2. R J Reynolds was 51 1/2, up 1/2. American Brands was 30 1/2, up 1/2.

Setback for Imasco's planned bid

By Our Financial Staff

Members of the Billes family which controls Canadian Tire, the company for which Imasco, an associate of BAT Industries, is thinking of offering \$31,000m (£5,533m), said yesterday that they would resist what could be the British conglomerate's biggest deal. The development is a major obstacle to Imasco's indicated offer, revealed over the weekend, because it has said a formal bid will not be mounted unless the family, management and dealers, who operated Canadian Tire's franchise outlets agree.

Imasco, which is 40.5 per cent owned by BAT, also faces problems with the Foreign Investment Review Board. Mr Paul Pare, chairman of Imasco, will argue that Imasco is a Canadian company, that its business integrates with that of Canadian Tire, and that Imasco took the initiative. But BAT threw its weight behind Imasco yesterday and said that it will put up £100m from group funds if the offer proceeds.

Canadian Tire is a retailing operation which franchises the right to run 165 stores throughout the country. It sells merchandise to the franchise holders from a mail order catalogue. Last year it earned pretax profits of \$314m on sales of \$3,789m.

Imasco controls the Hardee's fast food and Shoppers Drug Mart chains in the United States. It has suggested paying \$547 cash for about three-quarters of an Imasco share, equivalent in total to \$372, for each Canadian Tire share. The Canadian Tire price was suspended in Toronto at \$58m.

But Mr David Billes, who, with Alfred and Martha Billes, holds 30.4 per cent of Canadian Tire, said yesterday that he would try to buy another 30.4 per cent which is to be sold by charitable trustees on a court order. The employees of Canadian Tire own 12 per cent, the dealers 9 per cent, and the public 18 per cent.

Fifth large investment in West German companies

Kuwaitis pay £92m to build up 10pc holding in Volkswagen

By David Young

Kuwait has taken a 10 per cent share in Volkswagen the West German car company, in a deal worth more than £92m as part of what is being seen as a move of a proportion of its investments from Britain into West Germany.

The purchase of Volkswagen shares has been taking place in the open market since the start of the year and is the fifth big investment by Kuwait in West Germany.

The Kuwaiti investment authorities now have a 14 per cent stake in Mercedes-Benz, 24.9 per cent of Hoechst, the chemical company, 20 per cent of Metallgesellschaft the engineering group and 30 per cent in Korf Stahl, a small steelmaker which is insolvent. A 10 per cent stake in Volkswagen's Brazilian subsidiary has also been built up.

It is understood that Britain will remain the main centre for Kuwaiti investment in Europe - an estimated £440m worth of holdings have been built up in Britain's industrial and commercial sectors - although the Kuwait Investment Office has never officially commented on its investment policy.

Since the sale in March of its 10 per cent stake in the Scottish mining equipment maker Anderson Strathclyde during the takeover bid from Charter Consolidated the Kuwaitis have been concentrating their new investment activity in West Germany.

The Volkswagen stake has been built up after the company announced a \$40m first quarter worldwide loss. The Kuwaiti move was first revealed at the annual meeting of Hoechst when Herr Rolf Sammet the chairman was asked about the 24.9 per cent holding that had been built up by Kuwait in his company.

A Volkswagen spokesman in Frankfurt said last night that the company could not confirm or deny that the stake had been built up, but admitted that the company was aware that a foreign buyer had been in the market in the past few days.

The Leorio-owned Volkswagen and Audi sales and servicing network in Britain is not involved. Volkswagen's shares are 40 per cent held by the West German Government and the state of Lower Saxony with the remainder held by private investors and institutions.

The impending arrival in Britain this week of the head of

General Motors' worldwide truck and bus operations could be the first step in a £100m modernization of its Dunstable-based Bedford commercial vehicle factory (Clifford Webb, Motoring Correspondent, writes).

There has been widespread speculation in the industry about the delay in making such an announcement since it was foreshadowed nearly a year ago by Mr Donald Atwood, General Motors' vice-president and group truck and bus chief. At that time he talked of Dunstable " spearheading GM's European plans".

However, he also cautioned that he "would not sign an open cheque", until he was convinced that Bedford was capable of showing a reasonable return on such a substantial investment.

A Frenchman will almost certainly replace Mr George Turnbull chairman of Talbot Motors when his five year contract expires next April. He is M Robert Peugeot 33, a member of the family which founded the parent Peugeot group.

He has been working with Mr Turnbull at Talbot's Coventry headquarters. It was widely believed within Talbot that the quiet, bespectacled young man would be leaving shortly after completing a further stage in his grooming for high office within Automobile Peugeot where his father M Bertrand Peugeot is a member of the Directorate.

Last night a colleague said: "Robert Peugeot is a very impressive young man who is widely seen in France as a star of the future." "If he is chosen to follow George it will indicate that Peugeot are giving Talbot a lot of attention."

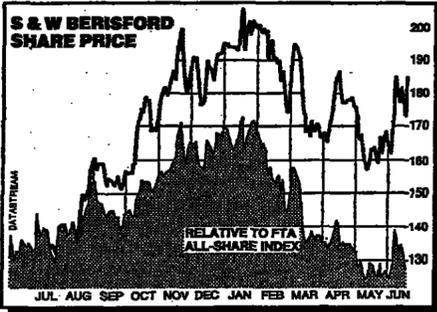
exploratory talks with Guinness Mahon on providing finance for Lotus. But further talks are planned.

Sir Clive has an option to purchase most of the assets of the De Lorean car plant at Dunmurry for the manufacture of electric vehicles. Lotus did most of the engineering development work on the De Lorean sports car.

Lotus car, have all expressed interest in providing substantial quantities of new equity finance for Lotus.

Yesterday Mr Wickins was still in talks with the Lotus directors and Guinness Mahon, their financial advisers. He had hoped to agree a deal which would give British Car Auctions a one third stake in Lotus for £3.5m.

Sir Clive Sinclair has had



Berisford jumps to £31m

S & W Berisford, the commodity trader which last year paid £28m for British Sugar Corporation, has raised pretax profits for the six months to the end of March from £24.4m to £31.6m. Profit before interest soared from £23.7m to £60.4m. But there was no rise in the interim dividend, which stays at 3p net. Heavy interest charges totalling £28.8m ate into pretax profits.

Share prices break week-old record

By Our Financial Staff

Shares prices surged on the Stock Exchange yesterday sending the FT 30-share index to a record high of 727.8, a gain on the day of 13.7 points.

Buying by American and British institutions added £2bn to the market values of British companies and gave the exchange its best day in over a month. The previous record was reached at 10 am almost a week ago when the index jumped to 726.4.

By late afternoon several blue chips were up as much as 6 p. ETR featured with a jump of 26p in reaction to a favourable earnings forecast. Bowater rose 16p, GEC 10p, Glaxo 10p, ICI 14p and Thru EMI 13p.

Vigorous advances were posted by electricals, tobaccos, chemicals, office equipment, life and composite insurances and merchant banks. Oils were moderately higher after losing

Racehorse gamble for all

By Michael Clark

The ordinary racegoer was offered the chance of owning a stake in his own thoroughbred racehorse yesterday. Several famous names from the turf have set up Thoroughbred Investment, a company specializing in the investment and breeding of top class bloodstock, which until now has been the province of the few.

Under the expert eye of Lord Oaksey, chairman of Thoroughbred and former amateur champion jockey in a career spanning 1955 to 1975, the group has tested the water for this new venture by asking City institutions for an initial £1m.

The move seems to have been well received and should be followed within the next few months by an offer for sale of between 3 million to 5 million of participating redeemable preference shares at 100p a share.

The company will operate along similar lines to a unit trust, but shareholders will have a vote, while making the most of tax incentives.

Investors will not have access to their money for the first 18 months as the group builds up its portfolio of stallions, broodmares an fillies with expert advice from the British Bloodstock Agency, one of the racing world's most prestigious bodies.

Said Oaksey, now a racing tipster, said: "I am going for animals at the top end of the market, capable of a very reasonable income."

The sport of kings is now a highly profitable business. Twenty five years ago the average yearling at Tattersalls sales cost 1,597 guineas. That figure can be as high as £500,000 these days.

Investors will be able to apply to their stockbroker for the shares who will then put in his order before the revaluation of the net asset value each quarter when new shares can be bought or redeemed.

The shares will not be quoted on the Stock Exchange yet - but as Lord Oaksey said, "who knows once we have a few winners under our belt."

Heron may increase stake in UDS

By Jonathan Clare

Mr Gerald Ronson may spend almost £14m to remain a substantial minority shareholder of the UDS stores group despite losing the battle for control.

His private Heron company would need to make an offer for the 4.9 per cent of UDS owned by other members of the Bassishaw consortium through which he launched his takeover.

Control of UDS went to rival bidders Hanson Trust. Mr Ronson said last night: "Heron owns marginally over 10 per cent of UDS. We have no plans to realize that investment."

"If they (Hanson) want to change that situation the ball is in their court."

But he added that he was not negotiating with Hanson to buy the John Collier and Richard Shops chains.

The big institutions which backed Bassishaw to make the unsuccessful bid for UDS do not want to get locked into UDS as minority shareholders.

"Heron is a private company and we can take a different view," said Mr Ronson. Hanson said yesterday it was extending its share offer for UDS for another two weeks - the cash offer closed at the beginning of May.

Hanson controls 85.1 per cent of UDS after further acceptances of its terms.

Heron built up its stake at an average price of 55p a share and would make a substantial profit if it sold out. The market price yesterday for UDS was 146p.

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS

Komatsu Ltd. (Kabushiki Kaisha Komatsu Seisakusho)

7 1/2% Convertible Debentures due June 30, 1990

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of July 1, 1975, as supplemented by a First Supplemental Indenture dated as of September 1, 1982 (effective as of October 1, 1982) between Komatsu Ltd. (the "Company") and First National City Bank (now Citibank, N.A. as the "Trustee") under which the above-designated Debentures were issued, \$547,000 aggregate principal amount of the said Debentures of the following distinctive numbers has been drawn by lot for redemption on June 30, 1983 through the operation of the sinking fund at the redemption price of 100% of the principal amount thereof:

Table with columns for Debenture numbers and amounts. Includes sections for Registered Debentures with Prefix Letters RM, RB, and M.

COUPON DEBENTURES WITH PREFIX LETTERS M (To be redeemed in full at \$1,000 each)

Guinness chief leaves after 10 months

By Derek Harris, Commercial Editor

Mr John O'Brien, appointed 10 months ago as finance director of Arthur Guinness and Sons, has left the company. His employment was regarded as a key element of the new management strategy launched eight months earlier by Mr Ernest Saunders.

Mr O'Brien has departed summarily, stating only that he has left Guinness and ceased to be a main board director.

Sir Nigel seeks a more balanced range of investments

By Andrew Cornelius

The change in emphasis began two years ago with the collapse of Stone-Platt Industries, the textiles company, and with its £4m investment. The failure came hard on the heels of losses of a further £4m in Bond Worth, the furniture company, and Britnans, which manufactured paper.

The rethink was prompted by criticism by some of the 360 financial institutions that helped to set it up. When it was established in 1976 ECI was expected to provide equity finance for companies which would not normally get support through the market. However, Sir Nigel is adamant that ECI was never intended to specialize in "rescuees". "Recovery situations, yes," he says, "Rescuees, no."

A typical recovery investment would be in a company where the management has already taken some painful decisions, but needs an equity injection before it is capable of returning to full health.



Sir Nigel: a change in emphasis

Fitter portfolio may restore ECI image

By Andrew Cornelius

Equity Capital for Industry is furiously trying to re-stamp its investment portfolio in an attempt to cast off its tarnished City image as an unsuccessful lender of last resort to ailing companies.

Under the guidance of a new management team led by Sir Nigel Foulkes, who took over from Lord Plowden as chairman earlier this year, ECI has begun to reduce its investments in recovery situations. In the ECI annual report published today Sir Nigel says that to do its job properly ECI needs a portfolio which embraces not only recovery situations, but also well managed smaller listed companies and unlisted companies.

The aim is to organize a portfolio which is split equally between these three areas.

City Comment

A puzzle made in Hongkong

The Hongkong stock market faces a major test of nerve this week, as it seeks to digest a report in Newsweek the American weekly magazine which claimed that China had set the end of 1984 as the deadline for an agreement on the sovereignty of the colony.

The report caused a flurry in diplomatic circles, although it was obliquely denied by a Hongkong Government spokesman who said the Government there knew of no basis for the views in the report attributed to the Foreign and Commonwealth Office. This appeared to be a comment from "reliable sources" in London that the British had now given up hope of retaining sovereignty once the lease runs out in 1997.

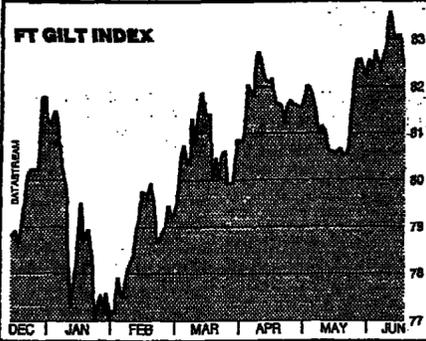
It is impossible to tell at this stage how much of the report is true and how much is speculation, but the few "facts" revealed seem only to repeat what was widely assumed after the Prime Minister visited Peking last autumn.

Such an untimely reminder of the colony's uncertain future could take some of the steam out of a stock market which has already recovered strongly after the near panics of last autumn which followed Mrs Thatcher's visit. It could also further depress the Hongkong dollar which was recently at a new low.

The combination of these risks might make some of the fund managers heavily involved in that market believe the time has come to take some off their profits. It may be unfortunate for the investors in the Hongkong markets but there do seem to be much more secure havens for funds in the Far East.

KOMATSU LTD. By: CITIBANK, N.A. as Trustee

British Sugar proves its worth to Berisford



Since the start of Berisford's second six months, sugar has been the star performer. British Sugar does not necessarily gain from movements in the free market price of sugar because its charges are fixed under the Common Agricultural Policy. But that guarantee of profits is precisely the attraction. Regardless of what happens to the rest of the Berisford Group, British Sugar should make at least £70m this year, even though the results are not as seasonally biased as they were.

Profits on such a scale can easily absorb the £11.8m of interest charges attributed to British Sugar for this first half, not to mention the £28.8m for the whole group.

They can also soak up the £35m of capital spending Berisford expects to devote to British Sugar this year. Of few takeovers can it be said.

But the real appeal is the market intelligence brought to Berisford by knowing all the conditions in the industry from the state of the beet crop to the speculative habits of Hongkong. Integration to this degree will give Berisford unique advantages in the sugar market.

The market seems to agree and marked the shares up 12p to 183p. The yield of 7 per cent gross after the unchanged 3p net interim dividend does not fully allow for the possibility of an increase at the final stage and for the quality of future earnings from British Sugar.

Gilts

The gilt market has been in an uncertain state since the election. The recent half-point cut in bank rates to 9.5 per cent and subsequent weakening in sterling, have, if anything, added to the uncertainty, coming when there was already concern about the course of monetary policy.

It is significant that the weekend reappointment of Mr Paul Volcker to serve another term as chairman of the United States Federal Reserve Board has not diverted the markets' attention for long from the problems looming in the United States and the possibility that rates there may have to rise to rein in money growth.

In the United Kingdom there is at least a growing body of opinion that a rise in interest rates is not the way to tackle the apparent problems on the monetary front which seem to be more to do with excessive government borrowing and spending.

The scope, however, still remains limited for British interest rates to fall much further and coupled with the uncertainties in the United States would appear to suggest a dull period ahead in the gilt market.

Nevertheless, opinion remains unreservedly bullish about the longer end of the market on the grounds that medium and long-dated gilts are due for a re-rating. Long bonds

in Germany, for instance, are yielding less than 8.5 per cent and it is argued that there is scope for long government bonds in the United Kingdom to improve their relative position. Only the brave or the foolish will commit themselves to short-dates however.

Mezzanine

As the name implies, Mezzanine Capital Corporation is no ordinary company. In architectural contexts "mezzanine" means a floor between floors. In United States financial circles it has come to mean providing loans usually unsecured - in return for equity. In effect it provides a middle option between loan and equity finance.

Mezzanine Capital is sponsored by Charterhouse Group and Electra Investment Trust, two British groups with expertise in this sophisticated form of financing in the United States.

They have persuaded several other British institutions to put up \$98m (£68m). It is a \$100m fund which hopes to become fully invested in the mezzanine and leverage technique in the United States within two years.

Some 3 million of its participating redeemable preference shares - about \$30m worth - are being offered at \$10 each by subscription by the public. The shares will be quoted in London. Assuming the 3 million shares are fully subscribed

Charterhouse and Electra will end up with about 8 per cent of the company apiece and Finance for Industry with 5 per cent. These will be the largest single shareholders.

MCC is not looking for venture capital investments. The idea is to buy into mature businesses with a proven product and track record. Both Charterhouse and Electra have so far proved highly successful.

Since being established in 1973, Charterhouse Group International, which will be MMC's investment adviser, has arranged for the investment of \$12m of equity in leveraged buy-outs which has produced a total return of about 371m.

More Business News, pages 19-21

Mezzanine itself will be a self-liquidating fund in the sense that all interest, loan redemption and equity capital redemption, will be paid back to shareholders if it is received.

But to invest in the company requires both an appreciation of the complexity of this type of financing, of the exchange risks that result from putting your money into dollars, and perhaps most important, that you are investing in pure management ability to spot the right type of deal.

In other words it is for the sophisticated investor - the small to medium sized institution or very wealthy individual. This is not a stock for stags or traders.

Granville & Co Limited.
(Formerly M. J. H. Nightingale & Co. Limited)
27/28 Lovat Lane, London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

1982-83	1983-84	Company	Price	Change	Open	High	Low	Close	Yield %
142	120	Ass Brit Ind Ord	135	-	6.4	4.7	7.9	10.3	
158	117	Ass Brit Ind CULIS	140	-	10.0	6.7			
74	57	Ampsprung Group	65	-	4.3	17.2	2.8	4.9	
46	25	Armistead & Rhodes	25	-	11.4	3.2	15.1	19.0	
360	147	Bardon Hill	360	-	15.7	10.5			
151	100	UCL 11.0% Conv Pref	150	-	17.6	8.8			
270	200	Chandos Group	200	-	6.0	13.3	3.0	8.0	
86	45	Deborah Services	45	-	8.7	8.3			
100	77	Frank Horsell	100	-	7.1	11.5	3.9	6.2	
98	75	Frank Horsell Pr Ord 87	98 1/2	-	5.7	8.3			
83	61	Frederick Parker	62	-	7.3	9.7	9.6	12.1	
55	33	George Blair	33	-	15.7	8.5			
190	74	Ind Prec Castings	75	-	9.0	5.4	4.4	8.6	
186	100	Isas Conv Pref	185	-	20.0	12.7	1.7	24.3	
167	94	Jackson Group	167 1/2	-	11.4	1.0	5.0	8.6	
237	111	James Burroughs	237	-	4.6	1.8	-	-	
260	148	Robert Jenkins	153	-	6.9	5.7	8.3	8.3	
83	54	Scruttons "A"	69	-	11.4	1.0	5.0	8.6	
167	110	Torday & Carlisle	112	-	0.46	1.8	-	-	
29	21	Unilever Holdings	26	-	6.4	9.6	4.8	6.9	
85	64	Walker Alexander	67 1/2	-	17.1	6.5	4.1	8.5	
270	214	W. S. Yates	265	-					

Prices now available on Prestel, page 48146

Den Danske Bank
at 1871 Akdieselskab
U.S. \$30,000,000
Floating Rate Subordinated Notes due 1989

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 21st June, 1983 to 21st December, 1983 has been fixed at 10 - per cent per annum and that the coupon amount payable on Coupon No. 3 will be U.S. \$12,867.19.

Agent Bank
البنك السعودي الدولي المحدود
Saudi International Bank
AL BANK AL SAUDI AL ALAMI LIMITED

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The whole of the difference is explained by a £14m loss at Erlanger, the American company which threads pipes, mainly for the oil industry. Half of that loss came from a stock writedown.

Berisford is making no promises, but it is hoped that Erlanger is now under control and there are no intentions to sell.

The mainstream commodity merchanting improved its performance by about £7m. Volumes rose strongly, particularly towards the end of the half, and coffee prices were a big help.

COMMODITIES

LONDON METAL EXCHANGE

Three months 3230-32 5.712
Yield: Steady.

OFFICIAL turnover figures.
Prices in pounds per metric ton unless stated otherwise.
Silver in ounce per ounce

COMMODITY PRICES

Three months 1120.00-1120.00
Yield: Steady.

STANDARD CATHODES

Three months 1116.00-1116.00
Yield: Steady.

YORK STANDARD

Three months 892.00-892.00
Yield: Steady.

YORK HIGH-GRADE

Three months 892.00-892.00
Yield: Steady.

YORK LOW-GRADE

Three months 892.00-892.00
Yield: Steady.

YORK VERY STEADY

Three months 892.00-892.00
Yield: Steady.

YORK VERY STEADY

Three months 892.00-892.00
Yield: Steady.

COMMODITY PRICES

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

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Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COFFEE

Three months 1042-1042
Yield: Steady.

COMPANY NEWS IN BRIEF

Aidcom International: Doubled half-year profits from a record turnover have been reported by Aidcom, the design market research and micro-electronic group, who is quoted on the Unlisted Securities Market.

Operating profits in the six months to April 30, rose to a record £375,000, against £185,000 a year ago. Turnover reached £2.5m, compared with £1.7m previously. After increased administrative expenses and interest, Group profit before taxation and minority interests increased by 73% to £228,000.

In his half-yearly statement Mr James Pidditt, the chairman, says: "Margins at the operating level were maintained but central costs, which increased in line with turnover, reflect the continuing rapid growth of the company. I am confident that the second-half results will be better still. Our full financial year will include for the first time a contribution from our recently acquired interest in World Medical Markets."

Whitecroft: In reporting a record pre-tax profit of £5.5m - 49 per cent up - for the year to March 31, Whitecroft, the textiles, building supplies and engineering group, has exceeded the objective set a year ago by Mr John Tavart, the chairman, "to achieve the level of performance realized prior to the 1980 downturn." Total dividends are to rise by 20 per cent with the recommended final of 3.75p net (3.1p), making a total of 5.4p net against 4.5p net last year. The profit was achieved on a turnover rise of only 4 per cent to £84.30m and after a greatly reduced interest charge of £689,000 (£1.138m).

West's Group International: Year to 27.3.83. Pre-tax profit, £422,000 (£1.54m). Turnover, £57,23m (£57.58m). Net dividend, 4.2p (8.4p).

British Dredging: Year to 31.12.82. Pre-tax profit, £22,000 (£82,000). Stated earnings (loss), 0.51p (cent loss). Turnover, £8.27m (£9.44m). Net dividend, 1.0p (0.5p).

Feedback: Year to 31.3.83. Pre-tax profit, £1.26m (£856,000). Stated earnings, 9.85p (9.99p). Turnover, £7.14m (£9.85m). Net dividend, 2.5p (2.0p).

Paterson Jenks: Year to 26.3.83. Pre-tax profit, £1.81m (£1.41m). Stated earnings (Fully diluted), 9.19p (7.00p). Turnover, £28.42m (£29.24m). Net dividend, 2.8p (2.33p).

Property Partnerships: Year to 31.3.83. Pre-tax loss, £850,000 (£711,000). Stated earnings 11.2p (9.4p). Net dividend, 8.25p (5.6p).

Authorized Units & Insurance Funds

1982-83	1983-84	Company	Price	Change	Open	High	Low	Close	Yield %
101	101	Abey Unit Trust	101	-	101	101	101	101	
102	102	Abey Unit Trust	102	-	102	102	102	102	
103	103	Abey Unit Trust	103	-	103	103	103	103	
104	104	Abey Unit Trust	104	-	104	104	104	104	
105	105	Abey Unit Trust	105	-	105	105	105	105	
106	106	Abey Unit Trust	106	-	106	106	106	106	
107	107	Abey Unit Trust	107	-	107	107	107	107	
108	108	Abey Unit Trust	108	-	108	108	108	108	
109	109	Abey Unit Trust	109	-	109	109	109	109	
110	110	Abey Unit Trust	110	-	110	110	110	110	
111	111	Abey Unit Trust	111	-	111	111	111	111	
112	112	Abey Unit Trust	112	-	112	112	112	112	
113	113	Abey Unit Trust	113	-	113	113	113	113	
114	114	Abey Unit Trust	114	-	114	114	114	114	
115	115	Abey Unit Trust	115	-	115	115	115	115	
116	116	Abey Unit Trust	116	-	116	116	116	116	
117	117	Abey Unit Trust	117	-	117	117	117	117	
118	118	Abey Unit Trust	118	-	118	118	118	118	
119	119	Abey Unit Trust	119	-	119	119	119	119	
120	120	Abey Unit Trust	120	-	120	120	120	120	

سكنا من الاصل

Copies of this Prospectus having attached thereto the documents specified herein, have been delivered to the Registrar of Companies in England for registration. Application has been made to the Council of The Stock Exchange for the Bearer Depository Receipts evidencing the Participating Redeemable Preference Shares of Mezzanine Capital Corporation Limited to be admitted to the Official List. This Offer includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein, whether of fact or of opinion. All the Directors accept responsibility accordingly. This Prospectus is not and shall not be construed as an invitation to the public of the Cayman Islands or residents of the Islands of Guernsey, Alderney or Herm to subscribe for the BDRs or the Participating Shares.

Mezzanine Capital Corporation Limited

(Incorporated with limited liability under the Companies Law, 1960, Cap. 22 of the Cayman Islands, as amended)

Offer for Subscription

of
3,000,000 Participating Redeemable Preference Shares
of nominal value US 1 cent each

evidenced by

Bearer Depository Receipts at US\$10.00 per share

payable as to US\$5.00 on application and as to US\$5.00 by not later than 15th June, 1984

arranged by

Charterhouse Japhet plc

SHARE CAPITAL

Authorised		Nominal	
100	Founders' Shares of US\$1 each	US\$ 100	
15,000,000	Participating Shares of US 1 cent each	US\$150,000	
15,000,000	*Unclassified Shares of US 1 cent each	US\$150,000	
30,000,100		US\$300,100	
Issued, to be issued and now being offered			
100	Founders' Shares of US\$1 each	US\$ 100	
10,000,000	Participating Shares of nominal value US 1 cent each payable as to US\$5.00 per share on application and US\$5.00 per share on 15th June, 1984	US\$100,000,000	
10,000,100		US\$100,000,100	

* The Directors may not issue Unclassified Shares otherwise than as Nominal Shares for the purpose of facilitating the redemption of Participating Shares except with consent from holders of the Participating Shares. Further details of this procedure are set out in the section headed "Corporate Structure" in the Appendix hereto

INDEBTEDNESS

MCC has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages or charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, or guarantees nor any other contingent liabilities.

The application list for the Participating Shares, evidenced by BDRs, now being offered will open at 10.00 a.m. (London time) on 24th June, 1983 and will close at 12.00 noon (London time) on that day.

The procedures for subscription and payment of the final instalment and an Application Form are set out below.

This Offer is made in conjunction with arrangements made by Charterhouse Japhet plc with certain institutions both in the United Kingdom and abroad who, together with The Charterhouse Group plc and Electra Investment Trust P.L.C., have agreed, subject to the level of acceptances received pursuant to this Offer, to take up not less than 9,210,000 Participating Shares evidenced by BDRs. Further details of these arrangements are set out herein.

Sponsors
The Charterhouse Group plc, 25 Milk Street, London EC2V 8JE.
Electra Investment Trust P.L.C., Electra House, Temple Place, Victoria Embankment, London WC2R 3HP.

Directors
Warren A. Law (USA) Chairman, Harvard Graduate School of Business Administration, Soldier's Field Road, Boston, Mass 02183, USA.
Edward G. Cox, 25 Milk Street, London EC2V 8JE.
Merril M. Halpern (USA), 477 Madison Avenue, New York, New York 10022, USA.
Jerome L. Katz (USA), 477 Madison Avenue, New York, New York 10022, USA.
Keith P. H. Mackenzie, 31 Hill Street, St. Helier, Jersey, Channel Islands.
Alfred Schaefer (USA), 1200 Pico Way, Lakewood, New Jersey 08701, USA.
Michael C. Stoddart, Electra House, Temple Place, Victoria Embankment, London WC2R 3HP.
Michael E. D'A. Walton, Electra House, Temple Place, Victoria Embankment, London WC2R 3HP.

Registered Office
Cayman International Trust Building, PO Box 309, George Town, Grand Cayman, British West Indies

Secretary
CJ Administrators (Jersey) Limited, PO Box 189, 17 Don Street, St. Helier, Jersey, Channel Islands. Tel No. 0534 74689 Telex No. 4192258.

Manager
Mezzanine Capital Corporation (Managers) Limited, Cayman International Trust Building, PO Box 309, George Town, Grand Cayman, British West Indies

Investment Adviser
Charterhouse Group International, Inc., 477 Madison Avenue, New York, New York 10022, USA.

Depository
Manufacturers Hanover Bank (Guernsey) Limited, Manufacturers Hanover House, La Truchot, St. Peter Port, Guernsey, Channel Islands

US Custodian
Manufacturers Hanover Trust Company, 600 Fifth Avenue, New York, New York, 10020, USA

Merchant Banker
Charterhouse Japhet plc, 1 Paternoster Row, St. Pauls, London EC4M 7DH.

Receiving Banker
Lloyds Bank Plc, Registrar's Department, Issue Section, 111 Old Broad Street, London EC2N 1AU.

Brokers to the Offer
Rovos & Pimont, Regatta House, 39-45 Finsbury Square, London EC2A 1JA.
Giveson, Gann and Co., Barrington House, 59 Gresham Street, London EC2P 2DS

Auditors and Reporting Accountants
Price Waterhouse, 26 Queen Street, St. Helier, Jersey, Channel Islands.

Legal Advisers
In England: Linklaters & Paines, Barrington House, 59/67 Gresham Street, London EC2V 7JA.
In the Cayman Islands: Maples & Calder, Attorneys-at-Law, Cayman International Trust Building, George Town, Grand Cayman, British West Indies.
In the United States of America: Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004, USA.

Paying Agents
Manufacturers Hanover Bank (Guernsey) Limited, Manufacturers Hanover House, La Truchot, St. Peter Port, Guernsey, Channel Islands.
St. Peter Port, Guernsey, Channel Islands.
Manufacturers Hanover Trust Company, 7 Princes Street, London EC2P 2LR.
Manufacturers Hanover Bank/Belgium S.A., Rue de Logne 13, B-1000 Brussels, Belgium.
Manufacturers Hanover Bank Luxembourg S.A., 39 Boulevard Prince Henri, Luxembourg.
Grand Duchy of Luxembourg.
Manufacturers Hanover Trust Company, Bochtener Landstrasse 51-53, D 6000 Frankfurt/Main 1, W Germany.
Manufacturers Hanover Trust Company, Alexandra House, 27th Floor, 16-20 Chater Road, Central, Hong Kong.
Manufacturers Hanover Trust Company, Shell Tower, 33/34th Storey, 50 Raffles Place, Singapore 0104.
Manufacturers Hanover Trust Company, Stockenstrasse 33, 8027 Zurich, Switzerland.
Morgan Guaranty Trust Company of New York, 14 Place Vendôme, 75001 Paris, France.

SUMMARY

The following information is derived from the full text of this Prospectus and should be read in conjunction therewith:

Objectives: The objective of the Company is to provide investors with a high rate of return in the form of both current income and capital gains through mezzanine investment primarily in the United States.

Size of Issue: Although the Offer has not been underwritten, certain institutions both in the United Kingdom and abroad have agreed to take up 5,060,000 Participating Shares evidenced by BDRs through arrangements made in conjunction with the Offer and referred to in paragraph 5(e) of the Appendix hereto. Up to an additional 550,000 Participating Shares evidenced by BDRs may be taken up by certain other such institutions by not later than 24th June, 1983 pursuant to those arrangements. In addition, CG and ETI have each agreed to subscribe for, or to procure an affiliate to subscribe for, a maximum of 2,075,000 Participating Shares. If applications are received pursuant to the Offer which would otherwise cause the issue to exceed 10,000,000 Participating Shares the commitments of CG and ETI will each be reduced by one half of such excess in accordance with the arrangements summarised in paragraphs 5(f) and (g) of the Appendix hereto. If the Offer is fully subscribed the total number of Participating Shares issued will, therefore, be 10,000,000 and in no event will the total number of Participating Shares issued be less than 9,210,000.

Terms of Issue: The Participating Shares being issued are to be evidenced by BDRs and are payable as to \$5.00 each on application and as to \$5.00 by not later than 15th June, 1984.

Bearer Depository Receipts: BDRs evidencing Participating Shares will be issued by Manufacturers Hanover Bank (Guernsey) Limited, as Depository, pursuant to an agreement between the Company and the Depository. Successful applicants pursuant to the Offer will become holders of BDRs and not direct shareholders in the Company, although, in substance, their rights against the Company, which must be exercised through the Depository, remain the same. Further information on the BDRs is set out below.

Minimum Subscription: There is a minimum subscription pursuant to the Offer of \$1,000 for one Unit of 100 Participating Shares of which \$500 is payable on application. All subscriptions must be for stipulated multiples of Units as shown below.

Status: The Company has been incorporated with limited liability under the Companies Law, 1960, Cap 22 of the Cayman Islands, as amended, as an exempt company.

Duration: The Company will have a life of eight years unless extended by a resolution of shareholders passed by more than fifty per cent. of the votes cast at an extraordinary general meeting to be held seven and a half years from the date of this Offer. Where the life of the Company has been extended, the Directors will not take steps to wind up the Company until a further four years have elapsed.

Distribution and Redemption Policy: It is the Company's policy to distribute all current net income. The proceeds of loan redemptions and realisation of investments will generally be applied in full, subject to the costs of carrying on the Company's business, in redeeming Participating Shares. All amounts available for distribution or redemption will be paid out to shareholders at six monthly intervals. For further details see below.

Taxation: The Company will be organised in such a way as, so far as practicable, to seek to minimise the incidence of taxation and to provide the most beneficial treatment to the broadest range of investors. It is the intention of the Directors that the Company will not be resident in the United Kingdom and that it would not be deemed to be a close company if it were so resident.

Listing: Application has been made to the Council of The Stock Exchange, London for the BDRs evidencing the Participating Shares to be admitted to the Official List.

Definitions

In this document the following terms have the meanings assigned below:

"Company" or "MCC"	Mezzanine Capital Corporation Limited.
"Participating Shares"	Participating Redeemable Preference Shares, having a nominal value of 1 cent per share, of the Company.
"BDRs"	Bearer Depository Receipts, to be issued by Manufacturers Hanover Bank (Guernsey) Limited, evidencing Participating Shares.
"CG"	The Charterhouse Group plc.
"CJ"	Charterhouse Japhet plc, a wholly-owned subsidiary of CG.
"Charterhouse Group"	CG and its subsidiaries.
"ETI"	Electra Investment Trust P.L.C.
"CHUSA"	Charterhouse Group International, Inc., a wholly-owned United States subsidiary of CG.
"Manager"	Mezzanine Capital Corporation (Managers) Limited, a company incorporated in the Cayman Islands.
"CJA"	CJ Administrators (Jersey) Limited, a wholly-owned subsidiary of CJ incorporated in Jersey.
"Depository"	Manufacturers Hanover Bank (Guernsey) Limited, a company registered in Guernsey.
"Paying Agents"	Those paying agents specified herein.
"US Custodian"	Manufacturers Hanover Trust Company acting in its capacity as custodian of the US assets of the Company.
"USA" and "US"	The United States of America.
"Offer"	The offer of 3,000,000 Participating Shares to which this Prospectus relates.
"Issue"	The issue of Participating Shares contemplated by this Prospectus.

Timetable

Application list opens 10.00 a.m. (London time)	24th June, 1983
Application list closes at 12.00 noon (London time)	24th June, 1983
BDR Certificates despatched by	7th July, 1983
Final instalment of \$5.00 per share due not later than	15th June, 1984

Payment

The first instalment is to be paid by means of a cheque or banker's draft drawn in U.S. dollars on a participating office or branch in the City area of a bank in the London U.S. Dollar Clearing Scheme made payable to "Lloyds Bank Plc" and sent or delivered to Lloyds Bank Plc, Registrar's Department, Issue Section, 111 Old Broad Street, London EC2N 1AU, so as to arrive not later than 12.00 noon (London time) on 24th June, 1983.

Investment in MCC carries certain risks to investors which should be recognised. The majority of MCC's investments will be made in companies which are highly geared and are not listed or dealt in on any stock exchange. There can, therefore, be no assurance that such investments can be realised at a profit or at all, so that the timing and amount of any redemption payments made by MCC will be incapable of precise determination. This is more fully described under the heading "Distribution and Redemption Policy and Accounts" below. Even though the investments will be largely in the form of loan capital the nature of the risk is similar to an equity investment as, typically, security will not be provided. Nevertheless, the Directors do believe that the rewards of investing in MCC are likely to be sufficient to justify the acceptance of the higher degree of risk involved.

No person has been authorised to give any information or to make any representation save as contained in this Prospectus in connection with the issue, subscription or sale of the Participating Shares to be evidenced by BDRs and, if given or made, such information or representation must not be relied upon as having been authorised by MCC.

No person receiving a copy of this Prospectus and/or Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should he in

any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him or such Application Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and payment of all transfer and other taxes requiring to be paid in such territory.

In particular neither the Participating Shares nor the BDRs have been nor will be registered under the Securities Act of 1933 of the United States of America, and offers and sales of the Participating Shares or the BDRs have not and will not be made in the United States or to US persons as part of the distribution thereof. The Participating Shares and the BDRs may not subsequently be offered or sold directly or indirectly in the United States or to a US person except in transactions exempt from the registration requirements of such Securities Act of 1933. For this purpose, United States means the United States of America, its territories and possessions and any areas subject to its jurisdiction, and US person includes any national or

resident of the United States, any corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof, and any estate or trust which is subject to United States income taxation regardless of the source of its income.

The consents of the Finance and Economics Committee of the States of Jersey and the Advisory and Finance Committee of the States of Guernsey have been obtained for the issue of Participating Shares and BDRs respectively as contemplated by this Prospectus. In giving such consents, the respective Committees do not take any responsibility for the financial soundness of MCC or for the correctness of any statements made or opinion expressed with regard to them.

Except as otherwise indicated, all references herein to "dollars" or "\$" or "cents" are to United States dollars and cents and all references to "pounds" or "sterling" or "£" are to United Kingdom pounds sterling. Financial and other statistical information concerning the Charterhouse Group and ETI is given as at 31st December, 1982; the Directors of MCC have been informed that there has been no material adverse change in such information since such date.

Mezzanine Capital Corporation Limited *continued***Introduction**

MCC was incorporated in the Cayman Islands on 19th May, 1983 with limited liability as an exempt company.

MCC has been formed to provide specialist investment in the acquisition, merger and leveraged buy-out market in the USA and, to a limited extent, in Canada. It will principally invest in debt securities, generally on a subordinated basis, in return for interest income and a significant participation in the equity of the borrower. This is generally referred to herein as "mezzanine investment".

The term "leveraged buy-out", which is also used on a number of occasions in this Prospectus, refers to a transaction in which a group of investors, usually including the managers of the business in question, buy control of a business mainly with borrowed money. The debt is generally secured on the business's assets. As a result the business itself becomes highly leveraged ("leveraged") and the investors hope to make an above-average return on their equity holding.

MCC is sponsored by CG and EIT, both of which have substantial experience of financially sophisticated transactions in this sector of the market in the USA. MCC's investment adviser will be CHUSA, a wholly-owned subsidiary of CG with its offices in New York. CHUSA has specialised in the field of leveraged buy-outs and its record in this field is referred to below. Since its establishment in 1973, it has arranged the investment of more than \$12,000,000 of equity in leveraged buy-outs for the Charterhouse Group which, both in terms of disposal proceeds and current values of unrealised investments, have produced a total return of approximately \$71,000,000.

As a result of their experience of investment in the USA, the sponsors have identified a major opportunity for the specialist use of relatively large sums of money in mezzanine investment in which CHUSA will perform a key role in providing day-to-day investment advice to MCC. The purpose will be to provide the investor with a high current return from interest income, and the progressive redemption of Participating Shares at a gain by the application of loan repayments and capital appreciation from the realisation of equity positions. MCC will normally pay out current income and make capital redemptions out of the proceeds of such repayments and realisations at half-yearly intervals, unless, in certain circumstances, loans are repaid or realisations made within 12 months of the original investment. In this event the capital proceeds, exclusive of any profit earned on the transaction, will generally be reinvested by MCC in new investments. None of MCC's profits will be reinvested. Redemption of Participating Shares will not, in any event, commence until the second instalment due on such shares has been received and they are fully paid. Any capital realised during such period will be held on deposit pending such redemption.

Directors of MCC

The Board of Directors of MCC consists of the following:—

Warren A. Law: aged 59. Director of CHUSA since 1980, resigned to become Chairman of MCC in May 1983; Edmund Cogswell Converse Professor of Finance and Banking at the Harvard Graduate School of Business Administration where he has been a faculty member since 1958.

Edward G. Cox: aged 50. Director of CG; Chairman of Charterhouse Development Limited; Chairman of CHUSA; Deputy Chairman of CJ; 1971-80 Managing Director, Charterhouse Development Limited; 1968, joined Charterhouse Development Limited; 1963-68, Inbicon Limited; 1961-63, Siebe Gorman & Co. Limited. Chartered Accountant; BSc: Advanced Management Program, Harvard Graduate School of Business Administration.

Merrill M. Halpern: aged 49. President, Chief Executive Officer and Director of CHUSA; 1970-73 President Merrill Halpern & Co.; 1969-70 General Partner, H. Hertz & Co. Inc.; 1962-68 Vice President, McDonnell & Company. Certified Public Accountant. Education: Master of Business Administration, Harvard Graduate School of Business Administration 1962; Bachelor of Business Administration, Rutgers University, 1956; Director of the Manager.

Jerome L. Katz: aged 49. Executive Vice President and Director, CHUSA; 1972-73 Vice President, Corporate Finance, Ladenburg, Thalmann & Co. Inc.; 1968-72 Vice President, Corporate Finance, H. Hertz & Co. Inc. Education: Advanced Management Program, Harvard Graduate School of Business Administration, 1976; Master of Business Administration, New York University, 1961; Ohio State University, Bachelor of Science in Finance, 1956.

Keith P. H. Mackenzie: aged 40. Managing Director, Charterhouse Japhet (Jersey) Limited; 1977-80 Managing Director, Roy West Trust Corporation (Panama) Inc.; 1974-77 Managing Director, Royal Bank Trust Company (Jamaica) Limited; 1970-74 Assistant Manager, Royal Bank Trust Company (Cayman) Limited; Director of the Manager; Director of CJA.

Alfred Schechter: aged 63. Chairman and Chief Executive Officer of Paco Pharmaceutical Services Inc. since 1975. Member of the Boards of Leisure Enterprises Inc. and Joseph Kirschner Company Inc.

Michael C. Stoddart: aged 51. Executive of the Electra House group of companies and board member of its two principal listed companies, Globe Investment Trust P.L.C. and EIT; Deputy Chairman and Chief Executive of EIT; Director of other public and private companies in the United Kingdom and U.S. engaged in engineering, finance and retailing.

Michael E. D'A. Walton: aged 39. Executive Director of EIT; 1972-81, executive responsible for Unlisted Investments Electra House Group; 1968-72, J. Henry Schroder Wagg & Co. Limited; 1966-68, Chartered Accountant, Barton Mayhew & Co.; Director of the Manager.

Investment Adviser

MCC has appointed CHUSA to be its investment adviser and to seek out specific investment opportunities for MCC. Details of the agreement under which this appointment was made are contained in paragraph 5(b) of the Appendix.

Since its formation in 1973, CHUSA has specialised in identifying and advising on leveraged buy-outs on behalf of companies in the Charterhouse Group. This activity has involved CHUSA in arranging major investments in eleven companies several of which, in turn, have made acquisitions for their own account under the purview of CHUSA.

As at 31st December, 1982, companies in the Charterhouse Group had invested \$12,746,000 of their own capital in leveraged buy-outs identified by CHUSA out of a total purchase price of \$110,109,000. Of this amount, some \$2,556,000 was invested in situations which are considered to have matured and in which the holdings of companies in the Charterhouse Group have either been sold or are being reduced. As at 31st December, 1982, these investments had produced a total return at such date of \$61,111,000 in the form of cash, marketable securities and notes. In addition, the most recent investments of the Charterhouse Group totalling \$10,190,000, have yet to be realised.

This record has been due to selective investment in relatively low risk businesses, close involvement with management and a financial structure designed to produce high returns for companies in the Charterhouse Group as equity investor. It should be noted, however, that these returns have derived from CHUSA's activities in advising on equity investment in leveraged buy-outs and are not directly comparable to that expected in mezzanine investment. No assurances can therefore be given, or should be made, that investment in MCC will produce a comparable rate of return. EIT has agreed to provide CHUSA and MCC with certain advice and assistance in connection with the finding and evaluation of potential investments. Further details of this agreement are contained in paragraph 5(g) of the Appendix.

The corporate officers of CHUSA are:—

Edward G. Cox Chairman (see above)
Merrill M. Halpern President and Chief Executive Officer (see above)
Jerome L. Katz Executive Vice President (see above)

Joseph P. S. Pampel: aged 50. Vice President Finance; 1974-79, Financial and Data Processing Consultant; 1968-1974, Vice President Corporate Development, Bowne & Company; 1964-66, Executive Vice President and Treasurer, Mactier Publishing Corporation. Education: Master of Business Administration, Harvard Graduate School of Business Administration, 1960, Faculty 1960-61. Bachelor of Science in Chemical Engineering, Case Institute of Technology, 1954.

Kipp Gosewahr: aged 44. Vice President Marketing; 1977-1981, Vice President, First National Bank of Maryland; 1974-77, Vice President and Chief Financial Officer, Educating Systems, Inc.; 1969-1974, Vice President, Security National Bank. Education: Bachelor of Science, International Relations, Columbia University, 1964. Graduate work at New York University Graduate School of Business, 1965-66.

Patricia Riley Merrick: aged 41. Vice President Marketing; 1971-73, Administrative Assistant, The Target Group; 1969-1971, Administrative Assistant, H. Hertz & Co., Inc.; 1966-69, Insurance Broker, Osborne, Post & Kurt, Inc. Education: Bachelor of Arts, Political Science, Hunter College, 1978.

Sponsors

CG is the parent company of an investment and banking group and is listed on the Stock Exchange, London with capital employed exceeding £188,000,000. CG is based in London and was established 49 years ago. It currently has over 125 investments in the United Kingdom, Europe and North America. These are principally in the manufacturing, service and oil industries and the majority of them are in unlisted companies.

CJ, a wholly-owned subsidiary of CG, is a leading merchant bank based in London and is a member of the Accepting Houses Committee providing a wide range of

services to industry and commerce. CJ manages £400,000,000 of clients' funds and has overseas offices in Geneva, Nassau, Philadelphia and Jersey. CJ has shareholders' funds exceeding £65,000,000 and total assets exceeding £884,000,000.

EIT was established over 45 years ago and is an approved investment trust listed on The Stock Exchange and based in London. At 31st December, 1982, subsidiaries of EIT had funds under management in excess of £160,000,000 including unlisted investments valued at over £72,000,000. US unlisted investments, including leveraged buy-outs, real estate and venture capital investments, were valued by the Directors of EIT at over £34,000,000 at that date.

Mezzanine Investment

As mentioned above, mezzanine investment involves investing in debt securities principally on a subordinated basis, in return for both interest income and a significant participation in the equity of the borrower. It therefore almost exclusively involves the creation of debt instruments which rank between senior debt (i.e. debt having priority over the general debt contracted by a company) and equity, but with some of the characteristics of both. It is distinguished from traditional convertible securities in that the interest return will generally be as high as, and often higher than, that on senior bank loans. The equity interest will generally be acquired either at a nominal cost as part of the remuneration for lending or in the form of warrants or options to subscribe for shares.

It is an exceptionally flexible investment medium; each transaction is the subject of private negotiation and provides the best opportunity of utilising the creative and specialised skills developed by CHUSA in arranging financing packages for its existing and past investments.

Mezzanine investment involves investment in situations which are judged to be financially sound but which require outside capital to be properly structured. It is frequently not appropriate, for timing or structural reasons, for companies to seek such capital in the public markets and in such situations MCC will be a competitive source of finance.

The growth of the acquisition market in the USA in terms of the size of transactions has resulted in an increase in the number of equity investors operating in the same manner as CHUSA who are seeking to manage leveraged buy-outs. By contrast, however, there are fewer sources of mezzanine investment comparable to MCC which are capable of providing either the amounts of mezzanine investment or the rapid response required in the acquisition market as a whole.

The Directors of MCC believe that for the reasons stated above and in view of the established reputation in this market of CHUSA, CG and EIT and the substantial funds which MCC will have available, MCC will be able to make attractive investments on advantageous terms.

Investment Policy

The need for mezzanine investment arises in a wide range of cases and is, therefore, unlikely to result in a concentration in any particular industry or region. The intention of MCC is to pursue opportunities where financial ingenuity and support are required rather than promotion of new products, high technology developments or other types of activity which might be classified as venture capital. Venture capital activities will be avoided by MCC.

MCC will therefore continue to employ CHUSA's philosophy in seeking proven businesses with good management and in maintaining its close involvement on the boards of such businesses. However, MCC may be expected to involve itself in a much broader range of transactions, which, for purposes of illustration, may include the following types of transaction:—

Merger and acquisition financing: MCC will invest in operating companies which require additional capital to conclude a pending acquisition or merger. Such transactions may take the form of a joint venture with MCC, the formation of a new company to undertake the acquisition, or the financing of an existing company which is acquiring another company.

Leveraged Buy-Outs: Leveraged buy-outs provide an opportunity for substantial investment in mezzanine investment. For the most part, MCC will invest in buy-outs which are developed and managed by other professional investment groups. However, occasionally the buy-out may be developed and managed by CHUSA.

Corporate refinancing: MCC will invest in companies which are restructuring their finance to provide for growth and increased flexibility at a stage when such companies prefer a privately negotiated transaction to a public flotation or external fund raising. Such refinancings may also apply to companies seeking to enter into joint ventures with other companies which require additional outside capital.

MCC will not in any circumstances take direct legal or management control of any of the portfolio companies in which it invests.

CHUSA will arrange for surplus cash to be placed on deposit with leading financial institutions or in money market investments on a temporary basis at the most advantageous rates they can obtain.

Size and Range of Investment

MCC will generally make investments ranging in size from a minimum of \$5,000,000 to a maximum of \$15,000,000, although occasionally an investment may fall outside these parameters. However, it is the intention of the Board of MCC that no individual investment will be made which has a value in excess of 20 per cent. of the gross assets of MCC, for which purpose any existing holding in the company concerned will be aggregated with the proposed new investment. For the most part, MCC will invest in medium-sized companies and will endeavour to maintain a broad range of investments.

Management and Administration

The overall responsibility for management of MCC is vested in its Board of Directors which will meet at least quarterly to review and determine investment policy.

MCC has entered into a management agreement with the Manager under which the Manager, subject to the overriding supervision and control of the Directors, will be responsible for the provision of day to day management and administrative services to MCC including the selection and management of investments (further details of this agreement are given in paragraph 5(a) of the Appendix).

The Manager is incorporated in the Cayman Islands; it has delegated certain of its functions to CJA, a wholly-owned subsidiary of CJ, to which it will pay a fee out of the amount received by it from MCC. The Manager is beneficially owned as to 45 per cent. by CG, as to 45 per cent. by EIT and as to 10 per cent. by CHUSA on behalf of members of its management. It is intended that the percentage interests of CG and EIT will be reduced by certain other financial institutions involved in raising funds for MCC taking an equity interest in the company.

As well as the main board, MCC will have a Board of Representatives consisting of representatives of certain investors holding substantial interests in MCC and certain persons instrumental in procuring substantial investment in MCC. Members of the Board of Representatives will initially be nominated by the Directors. The Board of Representatives will normally meet twice yearly and will provide a forum for comment and advice with power in extraordinary circumstances to requisition a general meeting of the shareholders of MCC. The Board of Representatives has no power to act for or in the name of MCC or to commit or bind MCC in any way. A sub-committee of the Board of Representatives may be established to meet more frequently as and when its views on a transaction are required. It will be composed of members of the Board of Representatives serving on a rotation basis.

Management Fees and Other Charges

MCC will pay the following fees and charges:—

1. (a) CHUSA will be reimbursed on an annual basis for the expenses incurred in performing its duties under the Investment Advisory Agreement. MCC and CHUSA have agreed that an amount of \$750,000 will be payable to CHUSA in the first year in reimbursement of that portion of its costs which are attributable to its activities on behalf of MCC. This is exclusive of certain advertising and travelling costs incurred by CHUSA which will be separately reimbursed by MCC.

(b) An annual fee to the Manager initially fixed at \$100,000 for performing its duties under the Management Agreement.

(c) An annual fee to EIT initially fixed at \$135,000 in consideration of certain advice and assistance that EIT has agreed to render to CHUSA and MCC in connection with the finding and evaluation of potential investments.

Each of the amounts set out above will be increased by 10 per cent. compound for each of the two subsequent years. Thereafter the amounts will be reviewed in the light of current projections of expenditure and new amounts will be fixed for the ensuing period, subject to approval by the Board of MCC at a meeting at which Directors associated with the interested parties will not be entitled to vote.

2. A fee to the Manager of an amount equal to 20 per cent. of the capital gains realised by MCC, provided that:—

(a) an amount equal to 20 per cent. of any capital losses previously realised by MCC will be notionally carried forward and set against any such entitlement so that only the balance thereof will be payable, any such unrealised losses

being notionally carried forward to set against further capital gains (if any); and

(b) no such amount will be paid to the Manager unless and to the extent that following such payment the net asset value per Participating Share of MCC would be equal to or greater than 100 per cent. of the original subscription price of those Participating Shares which then remain outstanding. Before a payment may be made to the Manager the Directors of MCC will call for a report from the Auditors on the net asset value of MCC. This will be based upon MCC's portfolio of investments, as revalued by the Directors having regard to the opinions of independent professional advisers considered by the Directors as qualified to express a view on such investments. It will also take into account the amount of any provision maintained by the Directors as described under "Distribution and Redemption Policy and Accounts" below.

This fee will only be payable to the Manager as from the date that the proceeds of sale of the investment producing the relevant gain are paid out to shareholders and will take into account all transactions occurring during the preceding financial period. MCC will also pay the preliminary expenses referred to in paragraph 2 of the Appendix and the other fees referred to in paragraph 6 of the Appendix.

Avoidance of Conflict

CG and EIT have each entered into agreements with MCC and the Manager under which they have agreed that if either of them becomes aware of a proposal for investment which involves an element of mezzanine investment and falls within MCC's investment policy, it will refer such proposal to CHUSA which will, if it considers it a suitable investment, make a recommendation for acquisition by MCC. Investment opportunities where the mezzanine investment involved in the transaction does not exceed \$5,000,000 need not be referred to CHUSA and may be acquired by CG and EIT for their own account. Further details of these agreements are contained in paragraphs 5(f) and (g) of the Appendix.

The agreement appointing CHUSA provides that CHUSA need not generally present any investment opportunity to MCC where the portion of mezzanine investment involved in such transaction does not exceed \$5,000,000.

If CHUSA becomes aware of a transaction which involves a leveraged buy-out where the total value is in excess of \$75,000,000, CHUSA must offer the organisation of such investment to MCC, or offer to organise such investment on behalf of MCC. If MCC decides to invest therein the brokerage fees or other benefits will accrue to MCC and not to CHUSA. In such circumstances, MCC may invest in both the equity and mezzanine portion of the transaction. If MCC decides not to invest therein, CHUSA shall be able to offer such investment to any other party.

If CHUSA becomes aware of a leveraged buy-out which involves a portion of mezzanine investment and the total value of the transaction is \$75,000,000 or less, provided that at least 50 per cent. of the mezzanine portion is offered to MCC, CHUSA will be entitled to refer the transaction to other companies (including companies in the Charterhouse Group) for equity investment for their own account. Such companies will be entitled to retain any brokerage fees or other benefits without liability to MCC. In such circumstances, investment by MCC will require the approval of the Board of MCC at which meeting the Directors associated with CHUSA and CG will not be entitled to vote. In addition, before MCC invests in the mezzanine portion of the transaction, CHUSA must have arranged for an unrelated third party or parties to invest in the mezzanine portion an aggregate amount at least equal to 15 per cent. of MCC's investment and on substantially the same terms, unless the Board of MCC otherwise agrees.

Subject as expressly stated herein, if EIT or any of its subsidiaries or any member of the Charterhouse Group is involved in or would in any way benefit from any transaction which is proposed to MCC for investment, such transaction will be subject to the approval of the Board of MCC at which meeting the Directors associated with the company interested in such transaction will not be entitled to vote.

US Custodian

MCC has appointed the US Custodian to be responsible for holding MCC's assets in the USA. Further details of this Agreement are contained in paragraph 5(c) of the Appendix.

Borrowing Policy

The Directors do not envisage making use of the borrowing powers available to MCC, detailed in paragraph 1(d) of the Appendix, save in exceptional circumstances. These may include the following:—

(a) if the first instalment on the Participating Shares has been invested, and a further investment opportunity arises before the second instalment is due, MCC may finance the acquisition of such investment by borrowing up to 50 per cent. of the amount of the uncalled capital, such borrowing to be repaid out of the subscription moneys;

(b) loans may be arranged to enable MCC to finance payment of sums due on exercise of subscription warrants, share options or other similar rights in cases where the securities received by MCC following exercise of such rights are to be sold in the market, possibly over a period of time, in order to realise a profit which will subsequently be distributed to shareholders following repayment of any such loan;

(c) MCC may issue guarantees or letters of credit in connection with an investment where actual provision of finance is not required but only, in aggregate, up to 15 per cent. of the current net asset value of MCC.

Distribution and Redemption Policy and Accounts

It is intended that substantially the whole of the distributable net income of MCC will be paid out at half-yearly intervals subject to the retention of sufficient reserves to meet MCC's working capital requirements, which are not expected to be of a significant amount. Such dividends will only be paid to the extent that they are covered by dividends and interest received from underlying investments. The first dividend will be payable in respect of the period from incorporation to 30th November, 1983.

It is also intended to pay out on a half-yearly basis by way of redemption of Participating Shares amounts attributable to the realisation of investments during the relevant period subject, however, to the retention of an amount equal to the management fee payable in respect of any capital profit arising therefrom and the establishment of a provision to meet other liabilities.

The Directors are unable to state in advance when realisations are likely to be made of MCC's investments as these will depend on a number of factors prevailing at the time including the availability of a suitable market for such investments and the further potential for growth in value. However, as mezzanine investment involves the provision of loan capital to portfolio companies, this may be on terms providing for its progressive repayment. Accordingly, it is expected that there will be an early and regular flow of capital to be returned to shareholders. The Directors reserve the right to make returns of capital to shareholders notwithstanding that MCC may not yet be fully invested. They are, however, not likely to recommend returning to shareholders any part of their capital which has been advanced to a portfolio company on terms requiring its repayment within 12 months, other than any profit element deriving therefrom, and such capital will generally be re-invested by MCC. In any event, no Participating Shares may be redeemed until the final instalment due on the Participating Shares has been received and they are fully paid.

CHUSA will provide to the Manager and the Board of Directors of MCC a statement for each financial quarter which will include a report on each of the investments held by MCC. On a half-yearly basis, to coincide with the consideration of the amount, if any, available for the redemption of Participating Shares, such report will contain recommended valuations for such investments which will be reviewed by independent professional advisers considered by the Directors as qualified to express a view on such investments. The Directors will revalue such investments having regard to these opinions, and such revaluations shall form the basis of the half-yearly and end-year accounts. The accounting year of the Company will end on 31st May in each year.

Duration of MCC

The Articles of Association of MCC provide that the Directors of MCC shall take steps to wind-up MCC in June, 1991 and, to the extent that distributions have not already taken place, its net assets shall be returned to shareholders, unless on or before the end of 7½ years from the date of its incorporation at an Extraordinary General Meeting to be convened at the time it is resolved by a majority of the votes cast at such meeting that the duration of the Company should be extended until June, 1995, at which time the Directors will take steps to wind-up MCC.

Bearer Depositary Receipts

The BDRs evidencing the Participating Shares will be issued by the Depositary pursuant to an agreement ("the Deposit Agreement") dated 24th May, 1983 and made between MCC, the Manager and the Depositary. The BDRs will evidence the interest of the holders thereof in Participating Shares, the certificates for which will have been deposited by MCC with or to the order of the Depositary. Application has been made for the BDRs to be listed on The Stock Exchange, London.

Mezzanine Capital Corporation Limited continued

The BDRs will be in bearer form, transferable by delivery and will be denominated in units of 100 Participating Shares ("Units").

The Depository will give notice to holders of BDRs of their entitlement to receive an income or capital payment and of the date from which payment thereof may be claimed.

Notices to holders of BDRs will be given by publication in the Financial Times in London and in the International Herald Tribune published in Singapore or, if this is not for any reason practicable, in such other newspaper or newspapers or in such other manner as the Depository, with the consent of the Manager, may determine.

If there shall occur any split, consolidation, reduction, redemption or repayment of any of the Participating Shares (any such event being hereinafter referred to as a "Variation of Capital") then each Unit shall be deemed to be varied so as to comprise such different number of Participating Shares as equals the number of Participating Shares which were comprised in a Unit immediately prior to the Variation of Capital multiplied by a fraction, the numerator of which is the total number of Participating Shares in issue immediately after the Variation of Capital has taken place, and the denominator of which is the total number of Participating Shares in issue immediately prior to the Variation of Capital.

The holder of a BDR will be entitled to attend and speak at meetings of MCC shareholders and may exercise his vote by depositing the BDR at the specified office of the Depository or of any Paying Agent, and instructing the Depository as to the exercise of the voting rights attached to the Participating Shares evidenced by such BDR.

The Depository shall be obliged, upon the requisition of holders of BDRs representing not less than one-tenth of the Participating Shares then in issue, to exercise its rights in relation to such Shares to requisition a meeting of MCC.

The Deposit Agreement contains provisions for convening meetings of BDR-Holders to consider any matter affecting their interests. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing BDRs evidencing a clear majority in number of the Participating Shares for the time being in issue, or at any adjourned meeting two or more persons being or representing BDR-Holders whatever the number of Participating Shares evidenced by the BDRs so held or represented.

If the coupons attached to a BDR become exhausted the Depository will, against surrender of the talon attached to the BDR, issue further coupons. BDRs or coupons which have been worn out, defaced, lost or destroyed will be replaced by the Depository upon payment of its remuneration and expenses, and provision of such evidence and indemnity as the Depository may require.

Taxation

(a) The Company

MCC is incorporated in the Cayman Islands and has applied for, and can be expected to obtain, an undertaking from the Cayman Islands authorities that, for a period of twenty years, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or accretions shall apply to MCC nor shall any such tax or any tax in the nature of estate duty or inheritance tax be payable on the Participating Shares.

Incorporation and stamp duty fees in the Cayman Islands on the incorporation of the Company amounted to the equivalent of \$1,080. The annual filing fee payable each year by the Company in the Cayman Islands is currently the equivalent of \$580.

It is the intention of the Directors that the control and management of MCC will be exercised in such a way that, so far as practicable, it will not be resident in the United Kingdom. In any event it is expected that MCC would not be deemed to be a close company if it were so resident.

The Directors have been advised, on the basis of their proposals for the administration and management of MCC and, assuming certain operating principles are followed, that the Company ought not to be treated as engaged in a trade or business in the USA. On this basis any gains arising on the disposal of investments in the USA other than gains from direct and certain indirect investments in real estate, will not be subject to taxation in the USA. Net gains from the disposal of direct and certain indirect interests in real estate will be subject to United States tax, generally at a rate of 28 per cent, if the interest has been held for more than one year.

Were MCC to be treated as engaged in a trade or business in the USA its income, including gains from the disposal of investments, would be subject to US federal tax at rates of up to 46 per cent. Interest and dividends paid by US corporations to foreign corporations are in general subject to a 30 per cent withholding tax except to the extent provided by tax treaty.

While it is the Directors' intention to invest in investments yielding material levels of income through a Netherlands subsidiary, and thus to take advantage of the US-Netherlands treaty for the relief of double taxation, this treaty is currently being renegotiated and there can be no assurance that its benefits will be available to MCC throughout its lifetime. Some tax will be payable in the Netherlands on such income but it is not expected to be substantial in the context of this issue and should be significantly less than would be applicable if investment were made directly into the USA by MCC.

Regulations issued by the US Treasury Department may in certain circumstances require disclosure of the identity of shareholders of a foreign corporation that has significant direct or indirect investments in US real property. In the event that such regulations apply to MCC it is anticipated that MCC will seek to enter into security agreements with the Internal Revenue Service so that it will not be required to make any such disclosure.

(b) The Investor

Neither the Cayman Islands nor Guernsey require the deduction of any tax at source upon payment of dividends neither do they levy taxes upon income, capital or wealth, capital gains, inheritances and gifts in respect of persons to whom this Offer is made. No stamp duty is levied in the Cayman Islands on the issue or redemption of Participating Shares or in Guernsey on the issue or redemption of BDRs. No transfer duty will be payable in the Cayman Islands or Guernsey by reference to transfers of BDRs.

Residents of the United Kingdom will normally be liable to United Kingdom tax on dividends received from MCC. For United Kingdom tax purposes, the proceeds from repayments consequent upon the redemption of Participating Shares by or the winding up of MCC will not, under existing legislation and subject as mentioned below, constitute income unless the recipient is regarded as trading in securities, but any profits realised by a person resident or ordinarily resident in the United Kingdom may be subject to tax on chargeable gains.

In exceptional circumstances, if a holding of BDRs is connected with a branch or agency in the United Kingdom of persons resident outside the United Kingdom there may be a liability to taxation in respect either of the income or other proceeds from such holdings. The attention of individuals ordinarily resident in the United Kingdom is drawn to Section 478 of the Act and to Section 45 of the Finance Act 1981 which may, in certain circumstances, render them liable to taxation in respect of the undistributed income and profits of the Company. It is anticipated that the provisions of Section 15 of the Capital Gains Tax Act 1979 (under which gains of non-resident companies can be apportioned to certain United Kingdom resident shareholders) will not apply to the Company.

The United Kingdom Finance Bill, as originally ordered to be printed on 21st March, 1983, contained clauses which have now been deleted from the Finance Act 1983 in view of the United Kingdom General Election, but which were to have come into force in 1984. If reintroduced in a similar form in a further Finance Bill the provisions may in certain circumstances subject companies resident in the United Kingdom to tax on the profits of companies resident outside the United Kingdom in which they have an interest. The draft legislation was such that it was unlikely to be of concern to holders of BDRs, as it affected companies which were controlled for the purposes of the legislation by persons resident in the United Kingdom and which did not implement full distribution policies, and it is not anticipated that such circumstances will arise in relation to MCC. The draft legislation was not directed towards taxation of capital gains.

The foregoing information is based on the law and practice currently in force in the Cayman Islands, Guernsey, the United Kingdom and the United States and is subject to changes therein. Prospective investors should consult their professional advisers on the possible consequences of acquisition, holding, disposal, redemption or repayment on liquidation of BDRs under the laws of the jurisdictions to which they are subject.

Accountants' Report

The following is the text of a report received by the Directors of MCC from Price Waterhouse, the Auditors of MCC:—

The Directors, Mezzanine Capital Corporation Limited, Cayman International Trust Building, PO Box 309, George Town, Grand Cayman, British West Indies.

Price Waterhouse, 26 Queen Street, St Helier, Jersey, Channel Islands.

10th June, 1983

Dear Sirs,

We report that Mezzanine Capital Corporation Limited was incorporated on 19th May, 1983 and since that date has not commenced business and has not made up accounts or declared or paid any dividends.

Yours faithfully, Price Waterhouse Chartered Accountants

Appendix: General Information

1. Corporate Structure

(a) Constitution, Share Capital and Share Rights

The Company was registered with limited liability on 19th May, 1983 under the provisions of the Companies Law 1980, Cap 22 of the Cayman Islands, as amended. The constitution of the Company is defined in its Memorandum and Articles of Association. The Articles of Association may be altered by Special Resolution, that is a resolution duly proposed and carried as a Special Resolution by not less than two-thirds of the votes recorded at a General Meeting of the Company.

The authorised share capital of the Company is \$300,100 being made up of 100 Founders' Shares of \$1 each, 15,000,000 Participating Shares of 1 cent each and 15,000,000 Unclassified Shares of 1 cent each. Unclassified Shares may be issued as either Participating Shares or Nominal Shares but it is only intended to issue them as Nominal Shares in order to facilitate the redemption of Participating Shares. No Unclassified Shares have been issued at the date of this Prospectus. The Founders' Shares have been issued at par for cash to the Manager or its nominees. The following is a summary of the rights attaching to each class of shares:—

(i) Founders' Shares

These exist solely to comply with the laws of the Cayman Islands, which require that the Participating Shares have preference over some other class of share capital. The Founders' Shares carry no right to any dividend and carry one vote each on a poll at a General Meeting of Participating Shares.

(ii) Participating Shares

The Participating Shares rank first in a winding-up for repayment of the nominal amount paid up thereon and, in addition, have the right to all surplus assets available for distribution to shareholders after repayment of the nominal amount paid up on the Founders' Shares and Nominal Shares. Participating Shareholders will receive notices of General Meetings and are entitled to attend and vote thereat.

On a poll a holder is entitled to one vote for every Participating Share held. The Articles of Association of the Company provide that the shareholders of the Company in General Meeting may declare dividends on the Participating Shares (but that no dividend shall exceed the amount recommended by the Directors) and that the Directors may from time to time if they think fit pay such interim dividends on Participating Shares as appear to the Directors to be justified by the profits of the Company. The Participating Shares can be redeemed out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.

(iii) Nominal Shares

Nominal Shares exist for the purpose of providing funds for the repayment of the nominal amount of Participating Shares on redemption. In practice the only holder of Nominal Shares will be the Manager. They may only be issued at par and have no right to dividends. Every holder of Nominal Shares is entitled to one vote on a poll at General Meetings irrespective of the number of Nominal Shares held by him.

(iv) Dividends

No dividend shall be payable except out of such funds as may be lawfully distributed as dividends provided that in no event shall any dividend be payable out of any funds representing a surplus over book value derived from the sale or realisation of any capital asset or out of funds representing accretions to capital assets.

(v) Variation of Class Rights

All or any of the special rights for the time being issued may (unless otherwise provided by the terms of the issue of the shares of that class) from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of three-fourths of the votes cast at a separate General Meeting of the holders of such shares.

(vi) Calls and Instalments on shares and forfeiture

(a) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

(b) The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares on which the call was made will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, instalments, interests, costs, charges and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture.

(d) A forfeited share shall become the property of the Company and may be sold, re-allocated or otherwise disposed of either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and whether with or without all or any part of the amount previously paid up on the share or credited as so paid up and at any time before a sale, re-allocation or disposition the forfeiture may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited share to any other person as aforesaid.

(e) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares.

(f) A record in the Minute Book of the Company that a share has been duly forfeited in pursuance of the Articles and stating the time when it was forfeited shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share adversely to the forfeiture thereof and such record and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allocation or disposal thereof, together with the certificate for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be so required)

constitute a good title to the share and the person to whom the share is sold, re-allocated or disposed shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allocation or disposal of the share.

(g) The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(vi) Further Issue of Shares

Following the initial issue of Founders' Shares and Participating Shares, no further shares in the capital of the Company shall be issued (other than Nominal Shares) except with the consent in writing of the holders of three-fourths in nominal value of the Participating Shares or with the sanction of a resolution passed at a separate General Meeting of the holders of the Participating Shares and by a majority of three-fourths of the votes cast at such a meeting. The Unclassified Shares which form part of the authorised capital at the date hereof will, except for such consent as is referred to above in relation to further issues of shares, only be issued as Nominal Shares.

(vii) Procedure for Redemption

The Participating Shares may be redeemed upon and subject to the provisions of the Law and the following terms and conditions:—

(a) The Company may, at any time, give to each holder of Participating Shares not less than two weeks notice of its intention to redeem any part (but not all) of the Participating Shares then in issue (a "Redemption Notice").

(b) Any Redemption Notice shall be in writing and shall specify the date fixed for redemption ("the Redemption Date") which shall be a date not earlier than the date on which the interim or annual accounts of the Company (as the case may be) are sent to shareholders in any year and not later than the date two months thereafter, the number of Participating Shares of each holder to be redeemed on the Redemption Date and the amount payable on redemption of each Participating Share to be redeemed.

(c) The amount payable on redemption shall be determined by the Directors by reference to the net asset value of the Company after taking into account any reserve that the Directors consider should be established to provide for the future liabilities of the Company, such reserve (less any claims made thereon) to be distributed by the Company on such basis as the Directors may from time to time determine.

(d) On each Redemption Date the holders of the Participating Shares to be redeemed shall be bound to deliver to the Company the certificates for such Participating Shares for cancellation, and thereupon the Company shall pay to (or to the order of) such holders the amounts payable in respect thereof and such payment shall be made through a bank if the Company shall think fit. If any certificate delivered to the Company shall include any Participating Shares not redeemed on the occasion for which it is so delivered, the Company shall forthwith issue without charge a fresh certificate for such Participating Shares.

(e) Redemptions of Participating Shares shall be made pro rata to the holdings of the holders of Participating Shares and the nominal value of each Participating Share redeemed shall be provided out of the profits of the Company which would otherwise be available for dividend or the proceeds of an issue of Nominal Shares. Such profits shall not include unrealised capital profits. Participating Shares redeemed in accordance with the provisions of this Article may not be re-issued, and shall be cancelled.

(f) Participating Shares shall not be redeemable at the option of the holders of such Shares.

(b) Directors

(i) There are no existing or proposed service contracts between the Company and any of its Directors. A Director is not required to hold any shares by way of qualification. There are no provisions requiring Directors to retire at any specified age.

(ii) Under the Company's Articles of Association, Directors are entitled to such remuneration as the Directors shall from time to time resolve, subject to and until otherwise determined by the Company in General Meeting. The current aggregate remuneration of the Directors has been fixed at \$54,000 per annum, deemed to accrue from day to day. Directors may also be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or other meetings or in connection with the business of the Company. The Directors may grant special remuneration to any Director required to perform any special or extra duties for the Company. A Director appointed as an executive or salaried officer may (subject to the foregoing) receive such remuneration as the Directors may determine.

(iii) All Directors, the Secretary and other officers or servants of the Company are indemnified by the Company against any costs, losses and expenses which are incurred as a result of their duties in relation to the Company's assets in respect thereof in priority to shareholders' claims.

(iv) The Articles of Association of the Company provide that no Director or intending Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at a meeting of the Directors. A Director's voting rights in respect of matters in which he is materially interested are, however, restricted in certain cases as detailed in the Articles of Association. The Company has power by ordinary resolution to suspend or relax the foregoing restrictions or to ratify any transactions not duly authorised by reason of a contravention thereof. A Director may also be interested in or connected with other companies in which the Company is interested.

(v) A Director may hold any other office of profit under the Company (other than the office of Auditor), in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

(c) Board of Representatives

(i) The Articles of Association of the Company provide for the creation of a Board of Representatives (the "Representative Board") consisting of members nominated by such persons as shall be invited by the Directors to make nominations to the Representative Board. Once a member has been nominated, he may only be removed from the Representative Board by notice in writing from the person nominating such member or the Directors. If the removal is by the person nominating such member he may appoint and remove a successor to the said member.

(ii) The Representative Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings, as the members thereof think fit. The members shall appoint one of their number to act as Chairman of the Representative Board. Questions arising at any meeting shall be decided by a majority of votes of the members of the Representative Board. The Chairman shall not have a casting vote. The Manager shall be invited to all meetings of the Representative Board and shall be entitled to speak thereat but not exercise any vote.

(iii) Other than the power to requisition a General Meeting of the Company the Representative Board shall have no power to act for or in the name of the Company or commit or bind the Company in any way but shall merely provide a forum for comment and advice to the Company and the Manager (which the Company and the Manager shall be free to accept or reject in their absolute discretion). Members of the Representative Board shall not be, and shall not hold themselves out as being, Directors of the Company having any of the powers, duties or responsibilities of Directors.

(iv) Members of the Representative Board shall not be remunerated but their reasonable travelling costs and expenses incurred in attending and returning from meetings shall be reimbursed by the Company.

(d) Borrowings

Under the Articles of Association of the Company, the Directors may exercise all the powers of the Company to borrow and charge its assets. The Articles provide that the Directors shall restrict the borrowings of the Company and exercise voting rights in relation to its subsidiaries (if any) so as to procure that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its subsidiaries ("the Group") for the time being exclusive of intra-group borrowings shall not at any time without the previous sanction of a resolution of the Company in General Meeting exceed an amount equal to the Share Capital and Consolidated Reserves of the Company as defined in the Articles. For the purposes of the said limit, the issue of loan capital and debentures shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash and the issue of a guarantee or the provision of security by a member of the Group in respect of a borrowing by a third party shall be deemed to constitute borrowing by the Group.

(e) Management

The Articles of Association of the Company contain provisions to the following effect:—

(i) The Directors may appoint managers of the Company's administrative affairs and the investment and reinvestment of the Company's assets and may appoint investment advisers to advise in respect of such investments and may entrust to and confer upon such managers or investment advisers any of the functions, duties, powers and discretions exercisable by them as Directors in relation thereto upon such terms and conditions including the right to remuneration payable by the Company and with such powers of delegation and such restrictions as they think fit and either collaterally with or to the exclusion of their own powers.

(ii) The terms of any agreement entered into by the Company appointing any managers or investment advisers (other than the original agreements entered into prior to the initial issue of Participating Shares appointing the first managers and the first investment advisers) and any variations made after the initial issue of Participating Shares to any such agreement then in force (including such original agreements), shall be subject to approval by a resolution of a general meeting of holders of Participating Shares who are on the register at the date on which notice of such meeting is given and passed by an absolute majority of the votes given PROVIDED THAT no such approval shall be required:—

(A) in the case of a variation to an existing Management Agreement or Investment Advisory Agreement if:—

(i) the Manager or Investment Adviser (as appropriate) consider that any such variation is necessary or expedient having regard to the provisions of any fiscal legislation, actual or proposed;

(ii) the Company, the Manager and the Investment Adviser (as appropriate) each certify that any such variation does not materially prejudice the interests of the holders for the time being of the Participating Shares or any of them and does not operate to release the Manager to any material extent from any responsibility to the Company; or

(iii) the variation relates to the amount or rate of remuneration, disbursements or out of pocket expenses payable to the Manager or the Investment Adviser (as appropriate) and such variation has been approved at a meeting of the Board of Directors of the Company at which

Mezzanine Capital Corporation Limited continued

Directors who are Connected Persons (as defined in the Articles) of the Manager or the Investment Adviser (as appropriate) may be confined in the quorum but shall not be entitled to exercise a vote, and

(B) in the case of a new agreement if the terms thereof do not differ materially from those in force prior to the termination of the previous agreement.

(f) Rights of Shareholders on a Winding up

(i) If the Company shall be wound up the surplus assets shall be applied in repayment *par passu* to the members of the normal amount paid up by them on shares in the Company in the following priority:

(aa) the first on Participating Shares (if any),

(bb) secondly on Nominal Shares (if any)

(cc) thirdly on Founders' Shares.

(ii) Any surplus assets of the Company then remaining shall be distributed *par passu* among the holders of the Participating Shares or if there are no Participating Shares in issue among the holders of the Nominal Shares or if there are no Participating Shares or Nominal Shares in issue among the holders of Founders' Shares.

(iii) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of an Extraordinary Resolution, divide among the members in specie, the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

(iv) Where the Company is proposed to be, or is in the course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company, whether a company within the meaning of the Companies Law of the Cayman Islands or not ("the transferee"), the liquidator of the Company may, with the sanction of an Extraordinary Resolution, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the members of the Company, or may enter into any other arrangement whereby the members of the Company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefit from the transferee.

(v) Any sale or arrangement in pursuance of this Article shall be binding on the members of the Company.

(vi) An Extraordinary Resolution shall not be invalid by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators.

2. Preliminary Expenses of the Company

The Company has agreed to pay the following fees in connection with the formation of the Company and the subscription of the Participating Shares (as more particularly described in paragraphs 5(a), (f) and (g) below):

(a) A fee of 2 1/2 per cent. flat on the subscription price will be payable to certain financial institutions in connection with the placement of the Participating Shares.

(b) CG and EIT will receive a discount of 2 1/2 per cent. flat on any Participating Shares subscribed by them respectively pursuant to the arrangements described herein.

(c) A fee of 2 1/2 per cent. flat on the subscription price of the Participating Shares issued pursuant to the Offer, other than those subscribed by CG and EIT, will be payable to CJ, out of which CJ will pay, on behalf of MCC, an allotment commission of 1/2 of one per cent. to stockbrokers, banks and other institutions whose stamps appear on any Application Forms.

(d) A fee of 1/2 of one per cent. flat on the subscription price of the Participating Shares issued pursuant to the Issue will be payable to CJ in connection with the formation of the Company, the preparation of this Prospectus and advice generally on the proposed activities of the Company.

These fees are exclusive of the cost of printing, accountancy, legal, advertising and other expenses of or incidental to this offering including the fees for obtaining a listing on The Stock Exchange which will be borne by the Company, and are estimated to amount to \$800,000. The total amount payable by the Company, assuming that the proposed issue of Participating Shares amounts to 10,000,000, is estimated to amount to \$3,800,000.

3. Custodian

The Articles provide that the Directors may appoint a Custodian to be responsible for the safe custody of any of the assets of the Company and to perform such other duties upon such terms as the Directors may determine. The remuneration of any such Custodian shall be payable by the Company. The terms of appointment of any such Custodian may authorise such Custodian to appoint (with powers of sub-delegation) sub-custodians, nominees, agents or delegates at the expense of the Company or otherwise.

4. Directors, Promoters and other Interests

Mr. E. G. Cox is a director of CG, CHUSA and of CJ which will receive the fees referred to in paragraph 2(c) and (d) above in connection with the Issue. Mr. M. M. Halpern and Mr. J. L. Katz are directors of CHUSA and Mr. M. M. Halpern is also a director of the Manager. Mr. K. P. H. Macdonald is a director of CJ and of the Manager. Mr. M. C. Spiddart and Mr. M. E. D'A. Walton are directors of EIT and Mr. M. E. D'A. Walton is a director of the Manager. The following Directors of MCC will receive a director's fee currently fixed at the following rates: Mr. W. A. Law, \$24,000 per annum; Mr. M. C. Stoddart, \$15,000 per annum; and Mr. A. Schedter, \$15,000 per annum.

Mr. M. M. Halpern and Mr. J. L. Katz as members of the management of CHUSA will be entitled to receive shares in the Manager under the arrangements referred to above, under the heading "Management and Administration".

Save as aforesaid, no Director has had any interest in the promotion of the Company or in any assets acquired, disposed of or to be acquired, disposed of or to be acquired, or in any contract or arrangement entered into by the Company which is significant in relation to the business of the Company. As further described in paragraphs 5(f) and (g) below CG and EIT have each agreed to subscribe for up to 2,075,000 Participating Shares evidenced by BDRs, at a discount of 2 1/2 per cent. subject to a reduction in their respective commitments depending on the result of the Offer. As part of the arrangements referred to in paragraph 5(e) below FFI (UK Finance) plc ("FFI") has agreed to subscribe for 1,200,000 Participating Shares evidenced by BDRs, at a discount of 2 1/2 per cent.

CG and EIT have also agreed that if their respective commitments are reduced, they will each acquire from FFI such number of Participating Shares as will result in the holdings of CG, EIT and FFI each being reduced on a *pro rata* basis.

The respective holdings of CG, EIT and FFI will, therefore, following the Offer each represent more than 5 per cent. of the issued share capital of the Company and save as aforesaid the Directors are not aware of any holding which immediately following the Offer will represent more than 5 per cent. of the issued share capital of the Company.

5. Material Contracts

The following contracts have been entered into since the incorporation of the Company and are or may be material:

(a) A Management Agreement dated 24th May, 1983 between (1) the Company and (2) the Manager whereby the Company appointed the Manager subject to the overall supervision of the Directors, with powers of delegation to manage the Company's administrative affairs, to act as its registrar and to manage the Company's investments. The Agreement contains provisions indemnifying the Manager against any liability not due to its willful default, bad faith or gross negligence. For the purpose of carrying out its duties under the Agreement certain of the functions, duties, powers and discretions of the Directors are exercisable by the Manager. In the event of the termination of the Management Agreement, these functions, duties, powers and discretions will revert to the Directors. The Agreement is terminable *inter alia* by the Manager or by the Company giving at any time after 1 year not less than 90 days' written notice.

(b) An Investment Advisory Agreement dated 24th May, 1983 between (1) the Company (2) the Manager and (3) CHUSA, whereby the Company appointed CHUSA to advise the Company or the Manager on behalf of the Company as to the investment and reinvestment of the Company's investments and to co-ordinate investment advice and information on behalf of the Company. The Agreement contains provisions indemnifying CHUSA against any liability not due to its willful default, bad faith or gross negligence. The Agreement is terminable *inter alia* by CHUSA or by the Company giving at any time after 1 year not less than 90 days' written notice.

(c) A Custodian Agreement dated 24th May, 1983 between (1) the Company and (2) the US Custodian whereby the US Custodian agreed to hold the US assets of the Company in safekeeping and on its behalf. The Agreement contains provisions exempting the US Custodian from liability except in cases of its own willful default or resulting from the negligence of its employees. The Agreement may be revoked by either party giving 30 days' written notice.

(d) A Fund's Secretary's Agreement dated 24th May, 1983 between (1) the Company and (2) CIA whereby the Company appointed CIA to act as its Secretary. The Agreement exempts the Secretary from liability not due to willful default, bad faith or gross negligence. The Agreement is terminable *inter alia* (i) by CIA or the Company giving at any time after 1 year not less than 90 days' written notice; and (ii) in the event of the termination of the Management Agreement referred to in paragraph (a) above.

(e) A Placing and Offer for Subscription Agreement dated 24th May, 1983 and made between (1) the Company (2) CJ and (3) Grievson, Grant and Co. and Rows & Pitman (together "the Brokers"), as varied by an agreement dated 20th June, 1983 between the same parties, whereby the Brokers agreed to use their reasonable endeavours to place 10 million of the Participating Shares the subject of the Issue. For such services CJ and the Brokers will receive a fee of 2 1/2 per cent. of the price of the BDRs evidencing Participating Shares placed by them respectively out of which they may pay on behalf of MCC (i) to each agent appointed by CJ to place Participating Shares on behalf of the Company a fee of 2 1/2 per cent. of the subscription price of the BDRs evidencing Participating Shares placed by such agent and (ii) to each place within Great Britain an allowance of 11/16ths of 1 per cent. of the subscription price of the BDRs evidencing Participating Shares taken up by such place. The agreement also provides for the payment of the fees and expenses referred to in paragraphs 2(a), (c) and (d) of this Appendix.

(f) An Agreement dated 24th May, 1983 between (1) the Company (2) the Manager and (3) CG, as varied by an agreement dated 20th June, 1983 between the same parties, whereby CG agreed to subscribe or procure that a member of the Charterhouse Group subscribes for 2,075,000 Participating Shares evidenced by BDRs on the same terms as the Offer but subject to a discount of 2 1/2 per cent. flat. The Agreement further provides that if the number of Participating Shares evidenced by BDRs agreed to be issued by the Company pursuant to the Offer would otherwise cause the issue to exceed 10,000,000 Participating Shares, the obligation upon CG to subscribe or procure subscriptions will be reduced by one half of such excess.

(g) An Agreement dated 24th May, 1983 between (1) the Company (2) the Manager and (3) EIT, as varied by an agreement dated 20th June, 1983 between the same parties, whereby, *inter alia*, EIT (i) agreed to use reasonable endeavours to seek and appraise suitable investment opportunities consistent with the investment policy of the Company, and to develop the same both alone and in conjunction with CHUSA, and (ii) agreed to subscribe or procure that one of its associated companies subscribe for 2,075,000 Participating Shares evidenced by BDRs on the same terms as the Offer but subject to a discount of 2 1/2 per cent. flat. The Agreement further provides that if the number of Participating Shares evidenced by BDRs agreed to be issued by the Company pursuant to the Offer would otherwise cause the issue to exceed 10,000,000 Participating Shares, the obligation upon EIT to subscribe or procure subscriptions will be reduced by one half of such excess.

(h) A Deposit Agreement dated 24th May, 1983 between (1) the Company (2) the Depository and (3) the Manager, containing the terms and conditions on which the Depository will issue BDRs evidencing Participating Shares. The Deposit Agreement provides for the payment to the Depository, assuming the issue amounts to \$100,000,000, of an initial fee for the issue of the BDRs of \$32,500, as well as for the payment of certain other fees for the performance of its duties from time to time thereafter, and also provides for the payment by the BDR-Holders of certain fees to the Depository for issuing new BDRs in exchange for or in replacement of existing BDRs other than on an exchange of a party-paid BDR for a fully-paid BDR.

The Deposit Agreement contains provisions excluding the liability of the Depository in certain circumstances. The Agreement is terminable by the Company or the Depository giving at least 60 days' written notice, provided that no such termination of appointment or resignation shall take effect until the appointment by the Company of a successor depository.

(i) A Paying and Exchange Agency Agreement dated 24th May, 1983 between (1) the Company (2) the Depository and (3) the Paying Agents whereby the Paying Agents agreed to act as paying and exchange agents for the purposes of the BDRs. The Agreement provides for the Paying Agents to be paid by the Depository, out of its fees payable under the Deposit Agreement, such fees as may be agreed between them from time to time. The Agreement also provides for the Paying Agents to be indemnified against liabilities arising otherwise than as a result of their own willful default, negligence or bad faith. The Agreement provides for the removal of Paying Agents by the Depository, with the consent of the Manager, on 30 days' notice.

(j) A Custodian Agreement dated 24th May, 1983 between (1) the Company (2) the Depository (3) the Manager and (4) Manufacturers Hanover Nominees (Guernsey) Limited ("the Custodian") under which the Custodian agreed to hold the Participating Shares to be issued by the Company and to be evidenced by BDRs, on behalf of the Depository. The Agreement provides for the Custodian to be paid by the Depository such fee as they may agree. The Agreement also contains certain indemnities from the Company in favour of the Custodian and the Depository in respect of claims resulting from any forfeiture of Participating Shares held by the Custodian.

6. Other Fees

In addition to the management fees and other charges set out under "Management Fees and Other Charges", above the preliminary expenses referred to in paragraph 2, above, and the Directors' fees currently at the rate of \$54,000 per annum, the Company bears the following fees:

(i) The Agreement appointing the US Custodian provides, *inter alia*, for the payment by the Company to the US Custodian of a fee at its standard rates with a minimum fee of \$350 per annum.

(ii) The Agreement appointing the Secretary of the Company provides, *inter alia*, for the payment by the Company to the Secretary of a fee currently at the rate of \$500 per annum.

(iii) The Agreement appointing the Depository provides, *inter alia*, for the payment by the Company to the Depository of an annual fee, assuming the issue amounts to \$100,000,000, of \$7,500 together with certain other fees relating to the performance of the Depository's function thereunder either itself or through the Paying Agents.

(iv) The above Agreements and the Agreements appointing the Manager, CHUSA and CJ also provide, *inter alia*, for the reimbursement by the Company of certain out-of-pocket expenses and the retention by the relevant parties of certain commissions and benefits arising in the normal course of business.

7. General

(a) The Company is not engaged in any litigation or arbitration and the Directors are not aware of any litigation, arbitration or claims pending or threatened against the Company.

(b) The Company has not established, and does not intend to establish, a place of business in Great Britain, nor has it carried on any business prior to the date of this Prospectus.

(c) The minimum amount which in the opinion of the Directors must be raised by the issue of the Participating Shares evidenced by BDRs in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 of Great Britain is \$3,800,000 made up as follows:

(i) purchase price of property; nil;

(ii) preliminary expenses (including VAT) and commissions payable by the Company \$3,800,000;

(iii) repayment of moneys borrowed for preliminary expenses; nil; and

(iv) working capital; nil.

(d) Price Waterhouse has given and has not withdrawn its written consent to the issue of this Prospectus with its report included in the form and context in which it is included.

(e) The provisions of Sections 50 and 51 of the Companies Act 1948 of Great Britain (other than the penal provisions) so far as applicable (having regard to Section 419 of that Act) shall apply to this Offer.

(f) Save in relation to the issue no share or loan capital of the Company has been issued or agreed to be issued fully or partly paid up for cash or otherwise than for cash, nor is any such capital under option or agreed conditionally or unconditionally to be put under option.

(g) No material issue of Participating Shares (other than to shareholders *pro rata* to existing holdings) will be made within one year of the publication hereof without the prior approval of the Company in General Meeting. No issue will be made which would effectively alter the control of the Company or the nature of its business without the prior approval of the Company in General Meeting.

(h) Save as disclosed in paragraphs 2 and 5 above no commissions, discounts, brokerage or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

(i) There is no property purchased or acquired by the Company or proposed to be purchased or acquired which is to be paid for wholly or partly out of the proceeds of this issue or the purchase or acquisition of which has not been completed at the date of issue of this Prospectus.

(j) None of the Directors of the Company has an interest in the share capital of the Company which would be required to be shown in the register maintained under the provisions of the Companies Act 1967 of Great Britain (as amended) if the Company were subject to the provisions of that Act.

(k) The Company does not have any subsidiaries at the date hereof.

(l) The documents attached to the copy of this Prospectus delivered for registration to the Registrar of Companies in England were the letter of consent of Price Waterhouse, and copies of the material contracts described in paragraph 5 above.

(m) The party-paid BDRs have been accepted for clearance through Euroclear (reference No. 9989) and Cedel (reference No. 601543), and the fully-paid BDRs have been accepted for clearance through Euroclear (reference No. 9990) and Cedel (reference No. 601651).

(n) Copies of the following documents will be available for inspection at the offices of Linklaters & Paines, Barrington House, 59/67, Gresham Street, London EC2V 7JA during normal business hours on any weekday (Saturdays and public holidays excepted) for 14 days from the date hereof:

(i) the Memorandum and Articles of Association of the Company;

(ii) the above mentioned report and consent of Price Waterhouse;

(iii) the material contracts referred to in paragraph 5 above;

(iv) the Companies Law, 1980, Cap. 22 of the Cayman Islands, as amended, under which the Company was incorporated.

20th June, 1983

Procedure for Subscription and payment of final instalment

All applications to subscribe for the BDRs, evidencing Units of 100 Participating Shares each, now being offered must be made on the Application Form provided and sent or delivered to Lloyds Bank Plc, Registrar's Department, Issue Section, 111 Old Broad Street, London EC2N 1AU to arrive not later than 12.00 noon (London time) on 24th June, 1983. Photostat copies of the Application Forms will not be accepted. Applications must be for a minimum of one Unit of 100 Participating Shares or for the following multiples of Units:

Applications for not more than 10 Units; in multiples of 1 Unit.

Applications for over 10 and not more than 1,000 Units; in multiples of 10 Units.

Applications for over 1,000 Units; in multiples of 100 Units.

A separate cheque or bankers draft for the full amount payable on application must accompany each Application Form.

Payment of the amount due on application must be made by means of a cheque or banker's draft drawn in US dollars on a participating office or branch in the City area of a bank in the London US Dollar Clearing Scheme. Cheques and drafts must be made payable to "Lloyds Bank Plc".

Applications, which will be irrevocable until 29th June, 1983 and may only be revoked thereafter in so far as they have not been accepted prior to receipt of revocation, will not be acknowledged by BDRs evidencing Participating Shares but will be sent to successful applicants by not later than 7th July, 1983.

The right is reserved to present all cheques and drafts for payment on receipt and to reject any application in whole or in part.

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting all of the BDRs evidencing Participating Shares which are the subject of the Issue to the Official List not later than 29th June, 1983. Moneys collected in respect of applications will be returned without interest if such condition is not satisfied by that date and in the meantime will be retained by Lloyds Bank Plc in a separate account. If any application is not accepted or is accepted for fewer Units than the number applied for, the application monies or the applicant's cheque or draft or the balance of such monies, as the case may be, will be returned without interest. It is expected that dealings in the BDRs will commence not later than 8th July, 1983.

Cheques, drafts, BDRs and any other documents will be despatched by post at the risk of the persons entitled thereto except, in the case of BDRs, where the applicant has indicated that he wishes them to be dealt with otherwise. The Depository provides a facility for holding BDRs on behalf of the owners details of which and the schedule of charges will be provided on request to the Depository or to the receiving bank. BDRs can also be held on your behalf by Euroclear or Cedel.

If an applicant has indicated on the Application Form that he wishes his BDRs to be held in custody to his order by the Depository then he will receive notification of the number of BDRs for which his application has been successful and a form of Safe-keeping Agreement to be entered into with the Depository who will retain the relevant BDRs.

Payment of the final instalment in respect of the BDRs evidencing Participating Shares must be made by lodging intact your party-paid BDR with, and making payment in accordance with the instructions printed thereon to, the Depository or any Paying Agent not later than 15th June, 1984. The amount of the final instalment due will be US\$500 for each Unit of 100 Participating Shares evidenced by the relevant BDR. New fully-paid BDRs will be issued against due payment and surrender of the party-paid BDR.

FAILURE TO PAY THE FINAL INSTALMENT BY 15th JUNE, 1984 WILL RENDER THE AMOUNT PAID ON ACCEPTANCE LIABLE TO FORFEITURE AND THE RELEVANT PARTICIPATING SHARES LIABLE TO CANCELLATION. IN SUCH AN EVENT THE BDR EVIDENCING SUCH PARTICIPATING SHARES WOULD CEASE TO BE OF ANY VALUE.

Interest at a rate determined by the Directors of MCC and any other costs incurred by MCC may be charged on any payments in respect of the final instalment accepted after the due date. A commission of 1/2 per cent. will be paid by CJ, on behalf of MCC, to stockbrokers, banks and other institutions on acceptance in respect of application forms bearing their stamp.

Copies of this Prospectus with Application Forms can be obtained from:

Charterhouse Japhet plc, 1 Paternoster Row, St. Pauls, London EC4M 7DH.

Rows & Pitman, City Gate House, 39-45 Finsbury Square, London EC2A 1JA.

Grievson, Grant and Co., Windsor House, 39 King Street, London EC2V 8BA.

OFFER
by
MEZZANINE CAPITAL CORPORATION LIMITED

OF 3,000,000 PARTICIPATING REDEEMABLE PREFERENCE SHARES ("SHARES") OF NOMINAL VALUE US\$0.01 EACH IN UNITS OF 100 SHARES ("UNITS") EVIDENCED BY BEARER DEPOSITORY RECEIPTS PAYABLE AS TO US\$500 PER UNIT ON APPLICATION. THE APPLICATION LIST WILL OPEN AT 10 a.m. (LONDON TIME) ON FRIDAY 24th JUNE, 1983 AND WILL CLOSE AT 12.00 noon (LONDON TIME) ON THE SAME DAY.

Applicants are strongly advised to use first class letter post and to allow 2 days for delivery.

FORM OF APPLICATION

To: MEZZANINE CAPITAL CORPORATION LIMITED ("the Company") and MANUFACTURERS HANOVER BANK (GUERNSEY) LIMITED ("the Depository")

*Number of Units for which application is made	Amount of cheque/draft enclosed	No.
	US\$	
		Stamp of agent claiming commission

Number of units applied for	Equivalent number of shares	Amount payable on application
10	1,000	\$ 500
100	10,000	\$ 5,000
250	25,000	\$12,500
500	50,000	\$25,000

*Applications must be for a minimum of 1 Unit of 100 shares. Applications for up to 10 Units must be in multiples of 1 Unit, over 10 and not more than 1,000 Units in multiples of 10 Units and over 1,000 Units in multiples of 100 Units.

I/We enclose a cheque/banker's draft payable to Lloyds Bank Plc for the above-mentioned sum, being the amount payable on application for the above-stated number of Units at \$500 per Unit, and I/we offer to purchase that number of Units in respect of which this application may be accepted upon the terms of your Offer dated 20th June, 1983 and subject to the Memorandum and Articles of Association of the Company. I/We understand that the Shares are to be evidenced by BDRs issued subject to the terms of a Deposit Agreement dated 24th May, 1983 entered into between the Depository, the Company and Mezzanine Capital Corporation (Manager) Limited. I/We hereby authorise you to send BDRs in respect of the said Units, and/or a cheque for any monies returnable by post at my/our risk to the address given below, subject to any instructions to the contrary contained herein.

In consideration of your agreeing to accept applications upon the terms and subject to the conditions of the said Offer I/we agree that this application shall be irrevocable until 29th June, 1983 and that this paragraph shall constitute a collateral contract between me/us and yourselves, which shall become binding upon despatch by post or delivery of the Form of Application to Lloyds Bank Plc. I/We agree that, in respect of those Units for which my/our application is not rejected in accordance with the terms of the said Offer, notification to The Stock Exchange of the basis of allocation shall constitute acceptance of my/our application on such basis.

I/We agree that this application and any acceptance will be governed by and construed in accordance with English law.

I/We warrant and represent that I/we have observed and complied with all requirements and obtained all consents required for this application to be made by any jurisdiction to which I/we may be subject, and I/we hereby declare that the Units are not being acquired directly or indirectly by a US person* or by a resident of Guernsey, Alderney or Herm, or by a member of the public of the Cayman Islands, nor in violation of any applicable law.

I/We understand that due completion and delivery of this Form of Application accompanied by a cheque or draft will constitute a warranty that the cheque or draft will be honoured on first presentation.

I/We acknowledge that BDRs and cheques for excess application monies are liable to be held pending clearance of applicants' cheques or drafts.

*The term "U.S. person" includes any national or resident of the United States of America, its territories and possessions or any area subject to its jurisdiction, any corporation, partnership or other entity created or organised therein or under the laws thereof or of any political subdivision thereof, and any estate or trust which is subject to United States income taxation regardless of the source of its income.

DELIVERY INSTRUCTIONS:

I/We hereby request you to arrange for any BDRs allocated to me/us pursuant to this application to be dealt with as follows:

(i) I/We wish to take advantage of the facilities offered by the Depository for custody of any BDRs which may be allocated to me/us pursuant to this application and hereby request that such BDRs be retained by the Depository on my/our behalf, subject to the terms of its standard Safe-keeping Agreement, a copy of which should be sent to me/us for signature.

(ii) the BDRs should be sent by registered post at my/our risk to _____

for the account of _____

under reference _____

(iii) the BDRs should be credited free of delivery charges by the Depository to my/our Euroclear/CEDEL Account No. _____

Delete as appropriate. If this section is not completed the BDRs will be despatched by post to the address below.

NO DELIVERIES OF BDRs WILL BE MADE IN THE UNITED STATES OR ANY OF ITS TERRITORIES OR POSSESSIONS.

If you wish the Depository to arrange insurance to cover the loss of BDRs during delivery please place a cross in this box: You will be invoiced for the sum due in respect thereof and payment must be made therefor prior to delivery of your BDRs.

Signature _____ Dated _____, 1983.

Forename(s) _____

Surname _____

Address (in full) _____

PLEASE USE BLOCK CAPITALS

For Office Use Only	
1. Acceptance Number	
2. Number of Units accepted	
3. Amount received \$	
4. Amount payable \$	
5. Amount returned \$	
6. Cheque Number	

A corporation should complete this Form of Application under hand by a duly authorised officer who should state his representative capacity. If this Form is signed by an attorney, the power of attorney must accompany this Form.

This Form of Application, when completed, together with a cheque or banker's draft drawn in U.S. dollars on a participating office or branch in the City area of a bank in the London US Dollar Clearing Scheme, for the full amount payable on application should be sent or delivered to Lloyds Bank Plc, Registrar's Department, Issue Section, 111 Old Broad Street, London EC2N 1AU.

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STOR

Marketing and advertising : Torin Douglas

How Kentucky Fried Chicken plan to fly back up the pecking order

Colonel Sanders, whose "finger-licking good" Kentucky Fried Chicken is one of the senior citizens of the fast food business in Britain, is about to undergo a course of rejuvenation.

Faced with increasing competition from hamburger operations, pizza parlours and ethnic takeaways, with volume falling and turnover growth slowing, the group is about to undergo a radical "repositioning programme" to restore its fortunes.

The programme, aimed at building the all-important family custom, has just been test-marketed in three regions of Britain, bringing sales increases of more than 50 per cent. Next week, it is to be extended nationally, spearheaded by a £4m television advertising campaign, and customers will find new menus, new prices and new equipment in the shops.

Kentucky arrived in Britain 20 years ago, long before McDonald's, Burger King, Wendy, Huckleberry and most of the American imports in the increasingly congested fast food business.

It has 350 British outlets, which makes it by far the largest takeaway operation (Wimpy, which has 500 outlets, has fewer than 50 offering takeaway service) and a turnover of £75m a year. Of the 350 outlets, 300 are owned by 150 franchisees, the rest being owned by the company, mainly in London.

Its dominance in terms of outlets, however, is not reflected in turnover. McDonald's, the most successful takeaway company, both here and in the United States, already has a higher turnover than Kentucky with only a third of the number of outlets. Last year, Kentucky turnover grew by only 6 per cent, compared with 33 per cent in 1980, and volume was down by 7 per cent.

Kentucky's management spotted the trouble coming before its franchisees and set about sorting it out. At the end of 1981, a British managing director was appointed.

Mr John Barnes arrived with a classic marketing record. Trained at Procter & Gamble in Newcastle, he became brand manager on Flash floor cleaner, and successfully launched a new soap in the United States. He then moved to PepsiCo

EATING OUT - SHARE OF REVENUE (%)			
	1978	1981	Revenue increase
Quick service restaurants	8	11	80
Hotels	20	21	87
Restaurants	13	11	11
Pubs	53	51	28

Source: Kentucky Euromonitor/Mintel

TAKE-AWAY FOOD MARKET 1979-81			
	1979 £m	1980 £m	1981 £m
Hamburgers	60	110	135
Sandwiches	24	21	24
Pizza	22	28	35
Fish and Chips	275	300	345
Chinese	140	155	160
Indian	38	40	42
Fried chicken	38	44	50
Other	20	21	24
	615	720	815

Source: Mintel (and trade estimates).

(Europe), where he was responsible for introducing the successful Pepsi Challenge advertising, before being appointed general manager of Pepsi in Canada.

Mr Barnes began research to discover how Kentucky Fried Chicken was seen in relation to its competitors and where its business was coming from.

The findings were not encouraging on the face of it. The group's image was poor, particularly in terms of value for money, and sales were over-dependent on young men with low income, often unemployed, who usually took home a Kentucky fried chicken portion when the pubs closed. Mr Barnes saw an immediate correlation between the fact that both beer sales and Kentucky were down 7 per cent.

"In March last year, 54 per cent of our business was done between 7 o'clock and midnight and 58 per cent of our business was accounted for by the standard portion of two or three pieces of chicken and chips", says Mr Barnes. "During the daytime, we were serving no more than seven or eight people an hour".

On the other hand, there were encouraging factors. In blind taste tests, 86 per cent approved of the Kentucky chicken, though there were complaints

that the portions were too small. And while any number of companies were competing with McDonald's for the hamburger market, Kentucky had the chicken slot sewn up.

Poultry is getting cheaper when the price of beef and fish is on the increase. Added to which, the fact that Kentucky had 50 many outlets - even if the turnover per shop was so much lower than that of McDonald's - and that outlets there was potential for growth. For companies moving into the fast food area, finding sites is a big problem.

Armed with these findings, Mr Barnes put together a programme designed to increase the average turnover of each shop, by improving sales during the day, moving the trading pattern from individual purchases to family purchases, and, equally important, by improving the image.

To combat the poor value-for-money image, Kentucky would offer larger chicken portions, but would also offer new items designed to attract families and lunchtime custom.

The cost per head had to be brought below £1, about the price of a portion of fish and chips, which still accounts for almost half of all takeaway business and which Mr Barnes

TAKE-AWAY FOOD OUTLETS (%)	
Chicken	48
Fish and chips	48
Hamburgers	28
Ethnic	28
Pizza	15
Others	15
Total	21,000

Source: KFC/Euromonitor/Mintel

as the main competitor. Family "bargain buckets", offering meals for four at about £1 a head, and party packs would be introduced, together with a lunchtime snack at 70p and a 95p chicken sandwich.

New shop layout and uniforms for the staff would be needed, with menu cards in the window; new equipment to reduce serving time to one minute per order; better packaging to make the food easier to carry and more convenient to eat; and a big advertising campaign to tell the public how things had changed.

Those were Mr Barnes' proposals. But they had to be approved by head office and required the agreement of the Kentucky franchisees. Without their approval, the scheme could not be introduced - and approval meant finding the money for the changes.

What is more, with such a big relaunch, the scheme had to be approved by everyone as a few old-style, low image Kentucky outlets would ruin the strategy.

"We needed to win their hearts, their minds and their wallets and to do that we had to create a model to show how successful the changes could be," says Mr Barnes.

Approval was won from franchisees in the South-west and East Anglia television areas and a test marketing operation began last September. The new equipment and packaging were brought in, staff were trained, and new television commercials were made by the advertising agency Young & Rubicam.

The commercials were designed to appeal to families, but without alienating the bed-rock of the young men back from the pub, which was one of Mr Barnes' big fears. They therefore used one of Kentucky's traditional customers, a 17-year-old called Gary, as the focus, introducing other members of

this family to Kentucky fried chicken.

The tests proved highly successful. In 10 months, sales in the South-west grew by 43 per cent and in East Anglia by 45 per cent. "To produce this level of growth from already established businesses is astonishing in the fast food world", says Mr Barnes. "I have even had letters from franchisees complimenting us and that, believe me, is unheard of".

Results in Northern Ireland, where the programme has been more recently introduced, were even better - a 52 per cent increase in turnover in three months.

Research in March this year shows that, in the test areas, the daytime share of the business has risen from 46 per cent to 54 per cent, without harming sales after 7 o'clock. Family packs are already account for 23 per cent of the turnover and the traditional two to three pieces of chicken plus chips are only slightly down. Sandwiches now account for 10 per cent of the business.

Next week, the commercials start in London, the South, Yorkshire and the North-east, and will be extended. That, however, is just the start.

About 150 new shops are planned over the next five years - including a drive-in in the Old Kent Road - and there is a queue of waiting franchisees. Mr Barnes is keen to emphasise that this means 2,500 jobs will be created, 50 of them as training staff, including 20 graduates.

The franchisees - traditionally the weak link in the fast food business - have invested £8m in equipment and store design and a further £2m on extra advertising. Kentucky itself has invested several millions.

Mr Barnes is convinced that in a relatively static fast-food business, in which some entrants are already pulling out, the chicken sector - accounting for only 2 per cent of the 21,000 outlets - is the one to be in.

"I think McDonald's are wonderful - and I wouldn't want to be competing with them directly", he says. "Once people have been to a McDonald's, they like the idea of fast food, they will come to Kentucky for a change of menu."

Financial notebook

The long difficult road ahead for a new banking concordat

As bankers approach the first anniversary of the international debt crisis, there is still limited progress in standardizing bank accounting and information on their solvency. This makes bank supervisors' jobs far more difficult and it may encourage insular lending policies.

The 12-nation Basle-based committee on Banking Regulations and Supervisory Practices has just published its latest supervisory guidelines, replacing principles enacted in 1975 and known as the Basle Concordat.

The report says there are two basic principles of supervision. First, no international banking activity should escape supervision and, second, such supervision should be adequate. The guidelines are not legally binding, they do not deal with the issue of central banks acting as lenders of last resort, and they do not define detailed methods of supervision. This is the responsibility of the appropriate national authorities.

The committee is made up of senior central bankers from the Group of Ten plus Luxembourg and Switzerland and is chaired by Mr Peter Cooke, from the Bank of England. Over the past few years, it can point to substantial progress. Bank supervisors cooperate far more closely and look harder at the total group structure of a bank parent or subsidiary company. There are still lapses, as with the Ambrosiano affair. The latest guidelines help to plug some remaining gaps.

Yet there is still a large question mark over international banking supervision. The Basle Committee limits its work to general principles and keeps out of detailed methods of supervision, including the crucial question of what constitutes an adequate level of capital. Not surprisingly, it argues that this remains the responsibility of national authorities, and in practice the respective central banks.

The European Commission has looked on sceptically at this rather comfortable arrangement and for the past 10 years has attempted to regularize the European position more tightly. In the late 1970s, Mr Dondelinger, the com-

missioner for banking supervision in Luxembourg, produced a first report for the EEC on possible prudential harmonization and since then we have had a steady flow of proposals.

Despite the commission's numerous sallies into the supervisory field, it has made little progress. The central bankers have kept up a polite but vigorous opposition to intrusions by the commission bureaucrats. Any pronouncements which the commission is allowed to make are generally a restatement of central bankers' intentions or practices.

The central bankers are not simply being obstructive in their opposition to the commission's meddling grandiose schemes. True, they want to keep the bureaucrats from interfering on their patch. However, the job of standardization is made doubly difficult because European bankers and accountants can still not agree on the underlying principles of bank accounting.

The proposed directive on the annual accounts of banks is intended to harmonize bank accounting in the EEC. Unfortunately, it has run into fierce disputes on a number of critical issues, in particular the place of secret reserves, the treatment of "set-off" and, critically, how to treat the maturity of assets.

At this month's meeting of the Strasbourg Parliament, the proposed directive was sent back to the legal affairs committee and it faces a long difficult road. Even after harmonization has been achieved in Europe, there will still be yawning discrepancies in presentation and policies of banks worldwide.

Lack of progress in bank accounting and prudential matters leads to two problems. First, users of bank accounts have to struggle to interpret the different accounting methods. At a time when bank lending policies are increasingly entering the political arena, this becomes a serious barrier. Second, there is a danger that, without a general understanding and agreement on prudential guidelines, nations may drift into "insular" lending policies.

Throughout the 1970s banks were eager to expand their international lending.

They had plenty of funds and the new sovereign borrowers looked attractive customers. Strong competition meant that margins were narrow. One consequence of these trends was that banks' capital adequacy ratios drifted downwards.

Today, bankers have changed tack. The vice-president of finance is king and the corporate aim is to increase profits and build up capital ratios. In this they are encouraged by legislators and supervisors who are not going to allow a major crisis on their home ground.

The Federal Reserve Board has introduced new capital ratios for the 17 major United States multinational banks this week. The multinationals have now to maintain capital at 5 per cent of assets. By itself the ratio is not particularly onerous: 12 out of the 17 banks are already over the limit. However, the market is encouraging banks to push substantially above minimum limits. As Mr Paul Volcker, chairman of the Federal Reserve Board, said: "My sense is that these are minimum standards."

The easiest way to bolster capital ratios is to cut back on lending. As part of the debate going on over increased subscriptions to the International Monetary Fund, American legislators are already calling for restrictions on foreign lending by American banks.

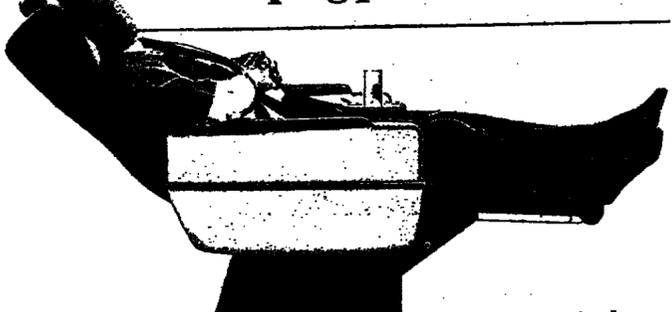
Calls for increased capital and curbs in international lending are not confined to the United States. The Bonn government is preparing a bill to increase the capital banking behind German banks' international lending. Other nations are closely examining banking ratios.

It is difficult to argue against any of the current moves in isolation. However, if bankers are allowed to drift from proper caution into a mood of excessive constraint, we could be at the beginning of a far more severe debt crisis.

To return to our Basle central bankers, a rigorous international supervisory framework would at least help to ward off the short term pressures of legislators and market forces.

Ian Marshall

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JAPAN AIR LINES

APPOINTMENTS

Mr John Smith is appointed a director of Associated British Ports from July 1.

Dr John Roberts and Mr David Morris have been elected directors of Camrex (Holdings). Dr Roberts is the new chairman. Mr Stanley Clarke had resigned from the board and as chief executive and chairman.

Mr Andrew Reid, chairman of Imperial Tobacco and a

The Republic of Trinidad and Tobago
U.S. \$50,000,000
Floating Rate Notes due 1990
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the first Interest Period has been fixed at 10 1/2% per annum. The Coupon Amount of U.S. \$24.22 will be payable on 22nd December, 1983 against surrender of Coupon No. 1.
21st June, 1983
Manufacturers Hanover Limited
Reference Agent

MULTIBANCO COMERMEX, S.A.
U.S. \$25,000,000
Floating Rate Notes due 1984
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 10 1/2% per annum. The Coupon Amount will be U.S. \$51.79 for the U.S. \$1,000 denomination and U.S. \$25.89.32 for the U.S. \$50,000 denomination and will be payable on 21st December, 1983 against surrender of Coupon No. 8.
21st June, 1983
Manufacturers Hanover Limited
Agent Bank

Miss Gillian Martin has joined the board of Druidale Securities.

Mr R. T. S. Macpherson has been appointed non-executive chairman of Allstate Insurance Company and Allstate Reinsurance Company.

Mr Clive Ainsley has become a director of Petrol Services of the Motor Agents Association.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

Ecclesiastical Holdings plc
(Incorporated under the Companies Acts 1948 to 1981)

Placing of
£6,000,000 13 per cent. Debenture Stock 2018
at £99.705 per cent.
payable in full on acceptance.

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange, £600,000 of the Stock is available in the market until 10.30 a.m. on 22nd June, 1983.

The Stock will carry interest at the rate of 13 per cent. per annum which will be payable (less income tax) half-yearly on 28th February and 31st August.

All of the share capital of Ecclesiastical Holdings plc is owned by Allchurches Trust Limited which is incorporated in England and registered as a charity.

Particulars of the Stock and information about Ecclesiastical Holdings plc are available in the Extel Statistical Services and copies of both documents may be obtained during usual business hours on any weekday, except Saturdays, up to and including 5th July, 1983 from:

Morgan Grenfell & Co. Limited
New Issue Department,
21 Austin Friars,
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21st June, 1983

Rowe & Pitman
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Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List.

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Particulars of the Stock are available from Extel Statistical Services Limited and copies of the particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 5th July 1983 from:-

James Capel & Co.
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100 Old Broad Street
London EC2N 1BQ

Guinness Mahon & Co. Limited
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London EC3P 3AJ

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Mercantile House
66 Cannon Street
London EC4N 6AE
(advisers to Oldham Metropolitan Borough Council)

21st June 1983

STORE GUIDE

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Application has been made to the Council of The Stock Exchange for the grant of a listing for the whole of the issued share capital of Gilbert House Investments Plc in the United Securities Market. A proportion of the shares being placed available to the public through the market. It is emphasised that application has been made for these securities to be admitted to official listing. Particulars of Gilbert House Investments Plc are available in the statistical service of Extel Statistical Services and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 8th July, 1983 from:

A. J. BEKHOR & COMPANY
Mildred House
12A Finsbury Square
London EC2A 1LT
21st June, 1983

Advertisement for Gilbert House Investments Plc

Recovery brings 25pc rise at Marshalls

By Philip Robinson

Marshalls Halifax Year to 31.3.83 Pretax profit, £3.53m (£2.85m) Stated earnings, 17.15p (14.22p) Turnover, £47.25m (£40.1m) Net dividend, 6.0p (5.0p)

Recovery signs in the cement and engineering industries have meant a 25 per cent rise in pretax profits for Yorkshire-based Marshalls (Halifax).

When reporting first half figures last November, Mr David Marshall, chairman, said that the trading outlook for the second half was bleak.

But yesterday the company announced pretax profits for the 12 months to the end of last March had risen from £2.3m to £3.5m on a turnover up from £40m to £47m.

The group has increased the dividend 20 per cent and is paying 6p against 5p last time.

Mr Marshall said at the half way stage that profit margins were depressed and there was some disappointment with rock drilling companies headed by Halifax Tool Company.

He said yesterday that success in controlling cash had reduced the interest charge which fell from £783,000 to £739,000.

The board continued to invest in new plant and equipment, however.

"The healthy profit increase and confidence on the future has persuaded the directors to recommend an increased dividend", he added.

Economists upgrade forecasts for second quarter

US recovery gaining momentum

From Eric Berg, New York

A flurry of promising economic news in the last 10 days has prompted economists across the United States to raise their second-quarter forecasts. Experts, who earlier this year said the recovery would be weak from April to June, acknowledge that it will be powerful and widespread.

Figures on the Gross National Product - the broadest measure of economic activity - are not yet in for the second quarter. But other statistics have been sufficiently impressive to cause the nation's economists to take another look at their numbers, and in some cases double their estimates for growth.

The balance of opinion is that when the numbers are out, the second quarter of the recovery will be shown to have been as vital as any since World War II.

And the announcement on Saturday that Mr Paul Volcker would be reappointed as chairman of the Federal Reserve Board seems certain to hearten economists further and cause

them to lift their sights for the rest of this year.

"We are going to have a barn burner of a second quarter," predicted Mr Allen Sinai, a senior vice-president at Data Resources, a Lexington, Massachusetts, econometric consulting company. Mr Sinai, who earlier this year predicted that second-quarter GNP would grow at an annual rate of 3.4 per cent, now says the gain will be 7.5 per cent.

At the Harris Trust and Savings Bank of Chicago, where economists have revised their forecast for second-quarter GNP growth to 8.1 per cent, from 7.1 per cent, Mr Richard Henken, an economic analyst, said: "Consumers are seeing the signs of recovery on all fronts.

For the 10 million who are unemployed, there are another 100 million who are employed. These people feel more confident about the economy and have been more willing to spend."

Earlier this year, many economists were lukewarm

about the recovery in the second quarter. The persistence of high borrowing costs and a strong dollar would prevent the economy from rebounding strongly, they argued.

But that has not happened - at least not as much as feared. Although interest rates remain high and the dollar is reaching records, a combination of lower inflation, a rapidly growing money supply and tax cuts for business and individuals - including the reduction in personal income tax rates scheduled to take effect July 1 - are propelling the economy.

The spate of encouraging news from the Government's Economics Statistics Offices bears this out.

On June 10 the Commerce Department announced that retail sales rose 2.1 per cent in May. The increase was particularly cheering, economists said, because it included a healthy 3.4 per cent rise in the durable goods sector, such as motor cars and appliances, which had been badly depressed

Last Tuesday, the nation's Big Three car makers announced a 19.7 per cent rise in sales for the first 10 days of June. Although the increase to a great extent reflected promotional incentives, analysts were nonetheless heartened by the report, which put sales at a seasonally adjusted annual rate of 7.4 million units up from 6.7 million in May.

Then, on Wednesday, the Federal Reserve Board reported that industrial production by the nation's factories rose by 1.1 per cent in May. The sixth consecutive monthly increase was paced by bellweather industries such as motor industry suppliers, business equipment and construction.

Finally, on Thursday, in what economists called the strongest sign to date, the Commerce Department reported that housing starts rose 19.1 per cent to a seasonally adjusted annual rate of 1.79 million units in May - the highest since September 1979. Building permits - a sign of future construction activity -

were also at their highest level in three and a half years rising 5.6 per cent to a seasonally adjusted annual rate of 1.6 million.

Some economists remain concerned that a resurgence of higher interest rates could throttle the recovery, but for the second quarter, they are increasingly optimistic.

At Chase Econometrics, for example, a forecasting subsidiary of the Chase Manhattan Bank, economists in January were predicting 3.2 per cent annual growth for second-quarter GNP. They have raised their prediction to 6.4 per cent.

At the Crocker Bank in San Francisco, an earlier prediction for April-to-June GNP growth was a 4 per cent on an annual basis. Now the bank says the expansion will likely be double that.

"Given the strength that we've seen in the last few days, 8 or 9 per cent growth is definitely more realistic", said Mr Thomas Thomson, Crocker's chief economist.

Fenner profits fall

By Victor Felstead

J. H. Fenner (Holdings), which makes transmission equipment, has reported pretax profits down by more than half and a reduced interim dividend.

In the half year to February 26, turnover was little changed at £68.98m, compared with £69.94m last year, but trading profit, before interest, fell by 35 per cent to £4m.

Mr P. W. Barker, chairman of the Hull-based company, reports that fluctuations in inter-

national interest rates did not significantly affect Fenner's interest burden in the half year, so interest payable only rose from £1.97m to £2.19m.

With Fenner's share of the losses of associates up from £9,000 to £45,000, pretax profits dropped by 57.5 per cent.

After extraordinary items are deducted, the loss attributable to the company is £235,000, against a profit of £1.72m last time.

Cash ends Polish trade pause

By John Lawless

British business with Poland is growing - as a direct result of Western sanctions.

"The Poles are paying cash on the nail," Mr Bob Anthony, head of the London Chamber of Commerce's East European section, said yesterday. "The banks have been talking to them about rescheduling their commercial debts. But Nato sanctions mean that Western governments are not allowed to renegotiate state debts.

"The upshot of that is that the Poles are not having to make any payments. In the meantime, Polish planners have a bit more hard currency to play with than they could reasonably have expected."

Mr Dick Jenkins, of the British Embassy commercial section in Warsaw, said yesterday that he was being called upon to advise more business visitors this year.

"Trade is going on," he said,

adding that the United Kingdom representation at last week's Poznan trade fair comprised more than 30 companies, against just a dozen last year.

British exports were 100 per cent up in the first quarter of this year. There was a slight pause in buying just before Poznan, but British sales in the first four months were still worth £31.6m, against £29.8m in the same period of 1982.

Petrocarbon Developments, the Manchester-based contracting firm, is a few weeks away from completing a £200m PVC plant at Wlocławek.

Oil shortage ends

A shortage of crude oil from the North Sea Brent field system has been eased substantially as a large production platform has started work after three weeks' maintenance.

Two other idle North Sea platforms are expected to be producing again within two weeks, ending the North Sea crude shortage that has contributed to a sharp increase in oil

prices over the past weeks. The platform already back is Bravo which produced an average 128,642 barrels in May. Brent-system oil, a blend of export crudes from several small fields beside the Brent field, is the most widely traded North Sea crude in the non-contract oil market and is the North Sea's benchmark crude at \$30 a barrel.

WALL STREET

Table with multiple columns listing stock prices and market data for Wall Street. Includes columns for various stock indices and individual company shares.



Advertisement for Sparebanken Oslo Akershus. It features the bank's logo and name, followed by details about subordinated floating rate notes due 1987. The text includes interest rates and contact information for Citibank, N.A. Agent Bank (CSSI Dept).

Advertisement for Lloyds Eurofinance N.V. It details a U.S. \$100,000,000 11 1/2 per cent Guaranteed Bonds due 1994. The ad includes information about the bond's structure, interest rates, and contact details for Lloyds Bank Plc.

Legal notice from the United States District Court, Northern District of California. It concerns ITEL Securities Litigation and provides details about a proposed settlement and a hearing on proposed settlement of class actions. The notice includes the court's name, case number, and contact information for William L. Whittaker.

Handwritten Arabic text at the bottom of the page: 'صكنا من الامين'

Law Report June 21 1983 Court of Appeal

Right to stay depends on EEC wife

Regina v Secretary of State for the Home Department, Ex Parte Sandhu. Before Lord Justice Eveleigh, Lord Justice O'Connor, and Sir David Cairns. [Judgment delivered June 16]

The non-EEC husband of an EEC national had had a right to stay in this country only so long as the wife had been exercising her right to do so. When she had gone back to Germany the husband had rightly been given only limited leave to enter.

The Court of Appeal allowed an appeal by the Secretary of State for the Home Department and the adjudicator. Sir John Pestell, from Mr Justice Comyn (The Times, June 10, 1983) who granted judicial relief in the form of an order of certiorari to quash the adjudicator's determination.

Mr. Simon D. Brown and Mr. John Laws for the secretary of state and the adjudicator; Mr. Harjit Singh for the husband, Mr. Amrit Singh Sandhu.

LORD JUSTICE EVELEIGH said that in March 1975 the respondent husband had married in Germany a national of the Federal German Republic. On paper back the wife, being an EEC national, had been granted leave to enter the United Kingdom for six months. This was under what was now paragraph 60 of Statement of Changes in Immigration Rules (1980) (HC 394). R v Peck (Case 157/79) (11981) QB 571 had not been decided.

In October 1975, the wife had been granted a resident's permit for five years until October 10, 1980, and the husband had been granted similar leave for the same period. The wife's permit would at that time have been granted by virtue of the equivalent of paragraph 127 of the Immigration Rules (1975) (HC 394) (1979-80) (Imm AR 119). He had taken the view that the material facts of this case were that the wife had left this country.

The husband had sought judicial review of the adjudicator's decision. Mr Justice Comyn had come to the conclusion that he had been wrongly refused his extension.

He had considered Community law and came to the conclusion that the Immigration Rules, particularly HC 394, were in conformity, but he had said, the decision in Grewal was wrong and the adjudicator's con-

clusion was in effect against the spirit of community legislation. He had said that the EEC Treaty, and the regulations and directives, indicated that the object of the law was to secure freedom of movement and the recognition of the family as a unit.

While there were no direct regulations regarding this husband's right to his extension of time, the spirit of the legislation required him to accord such a right. The legislation gave a status to a member of a family which could not be questioned by a unilateral act. The question for the court was the husband's claim as clearly dependent on the action of the wife as the secretary of state and the adjudicator had taken.

His Lordship considered first the preamble to and article 10 (1) of Council Regulation (EEC) No 1612/68 and said that one clearly could not just look at the general principle, and spell out some general right; the articles themselves more specifically showed that the right was limited in terms of the article that conferred it.

In Council Directive 73/148/EEC "freedom of establishment" clearly meant business establishment. Looking at other provisions of European law, it clearly emerged that the regulations and directives were established on an EEC national in respect of his or her dependants only created rights in the dependant himself when they were derivative rights depending on the exercise by the national of his or her own rights, except where the legislation itself specifically conferred rights.

Where the right given to a member of the family was not a right deriving from the exercise of a right by the EEC national himself, that was specifically stated; see, for example, Commission Regulation (EEC) No 1231/70, the preamble and article 3 (2).

There, yet again, the wide words of the preamble were not reflected when one turned to the article itself. The benefits granted in the article were very restricted. His Lordship's conclusion was that any right given to anyone other than an EEC national was to be found specifically in the regulations.

where the extent of that right was very carefully spelt out. His Lordship was unable to take Mr Justice Comyn's view that one was entitled to find a wider protection for the members of the family than that set out in the regulations or directives by looking at their preambles, and he could not accept that the general tone of Community legislation pointed in that direction.

He was therefore of opinion that Grewal had been wrongly decided. In that case, reference had been made to the divorce because it was a fact of the case, but the clear ratio of the decision was that the wife had left the country. Mr Singh submitted that *Cristiani v SNCF* (Case 32/75) (1975) 2 ECR 1085 indicated that a broad view was taken of the purpose of the European legislation to confer benefits on members of a family, but not the converse view that in the case it seemed clear that the decision had in fact depended on the provisions of article 3(1) of Regulation No 1251/70 relating to the rights of workers to remain in the territory of a member state, having been employed there, and then to rights that were then attendant on the right of residence itself, that is, equality of treatment.

His Lordship took the view that the husband could only make a claim to right to a permission to stay in this country so long as the wife herself had been exercising it. As she was not the secretary of state had been right to refuse his application and the adjudicator had been right in dismissing his appeal. He would allow the appeal.

LORD JUSTICE O'CONNOR, agreeing, added that in saying that Grewal had been wrongly decided he would confine his remarks to the substantive part of that decision as opposed to the procedural side, which had not been argued in the present case.

Second, in deciding that this spouse had gained no rights on his 25 per cent share might suggest, since many of the cheaper competitors trumpet "IBM compatible" as a major selling point. Producers of applications software are concentrating their creativity on the IBM market, and machines that do not run MS-DOS are suffering a dearth of good programs.

As a result, users of MS-DOS may outnumber CP/M-86 (the version for single-task single-user 16-bit systems) by as much as ten to one. "Concurrent" CP/M, which is capable of running more than one program at the same time, has not yet taken off in the marketplace.

Digital Research has in fact recognized the power of the IBM market by announcing that it will release its range of languages to run under PC-DOS (IBM's name for MS-DOS). But its spokesmen maintain that CP/M remains a superior operating system and

they point out that manufacturers are still adopting it. The 4,000 applications packages written for 8-bit CP/M far exceed the number produced so far for MS-DOS.

The meteoric rise of Microsoft is turning into the greatest of all the software success stories so far. The company was founded by Bill Gates in 1975 after he dropped out of Harvard at the age of 19. Its first achievement was to develop (within a few weeks) a Basic interpreter for the Altair, the world's original commercial microcomputer. Basic is now of course the dominant language for micros.

Microsoft's revenues have at least doubled every year since 1977. The 1982 figure was \$32m and another doubling seems virtually certain this year. The company is privately held (with no need to raise money by going public in the immediate future) so it does not publish financial results.

During 1983 Microsoft has launched an unprecedented explosion of new products to fuel its future growth. The two most significant are probably the Microsoft Mouse, a \$195 device to move the cursor across the computer screen, and Multi-Tool Word, an inelaborately named word-processing system which Microsoft confidently expects to overwhelm today's best-sellers like Wordstar.

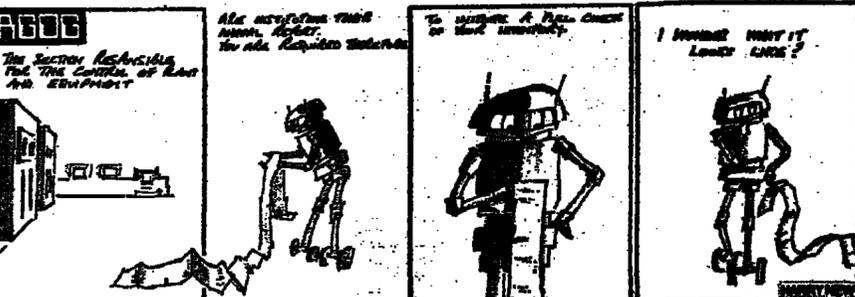
Several rival rodents will be gunning away at the same market. The most publicised mouse so far emerged in January with Apple's Lisa computer; but it is inseparable from the £7,950 system. In fact the ancestral mouse from which all others have sprung was developed by Xerox. It was introduced in 1981, leashed to the 8010 executive workstation, an even more expensive system.

Xerox chose not to capitalize on its creation by introducing a cheaper mouse-based computer with the potential for far greater sales. That reluctance mystified many people in the industry but it fits in with the general image of the Xerox research park in Palo Alto, California, as a source of wonderful ideas frequently exploited by other companies.

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Victory in the micro war? Forthcoming events

Microsoft has declared victory in the war to become the de facto standard operating system for the new 16-bit generation of microcomputers. But Digital Research, which conquered the old 8-bit world with CP/M, refuses to concede defeat to its arch-rival. The IBM personal computer is the hardware chariot on which Microsoft's MS-DOS operating system has driven far in front of the 16-bit versions of CP/M. Microsoft developed MS-DOS for the IBM personal computer which has grabbed about one quarter of all personal computer sales since its launch in 1981. The machine's influence on the development of the 16-bit market has been far greater than its 25 per cent share might suggest, since many of the cheaper competitors trumpet "IBM compatible" as a major selling point. Producers of applications software are concentrating their creativity on the IBM market, and machines that do not run MS-DOS are suffering a dearth of good programs. As a result, users of MS-DOS may outnumber CP/M-86 (the version for single-task single-user 16-bit systems) by as much as ten to one. "Concurrent" CP/M, which is capable of running more than one program at the same time, has not yet taken off in the marketplace. Digital Research has in fact recognized the power of the IBM market by announcing that it will release its range of languages to run under PC-DOS (IBM's name for MS-DOS). But its spokesmen maintain that CP/M remains a superior operating system and

Discovery date extended in industrial noise cases

Drennan v Brooke Marine Ltd and Another. Robinson v Same. Walker v Same. Smith v Same. Before Mr Justice MacPherson. [Judgment delivered June 16]

The date to which discovery of documents should extend would not be limited to the date of the plaintiff's letter before action in cases of noise-induced deafness although such cases were being brought in their thousands and was said by the defendants that discovery unrestricted in time was oppressive. Mr Justice MacPherson held in the Queen's Bench Division in open court after hearing four appeals in chambers. He dismissed each appeal against the master's order dated May 13, 1983 that the defendants disclose all documents in their possession to May 16, 1983.

It would be highly desirable that parties should be guided by what happened and what was said in those cases before pressing rapidly ahead in the large numbers described. It would be sensible not

Councils liable for earlier breaches

Walters v Babergh District Council. Before Mr Justice Woolf. [Judgment delivered June 17]

A local authority which, upon local government reorganization on April 1, 1974, succeeded to the "liabilities" of a preceding authority under article 16(3)(a) of the Local Authorities (England) (Property, etc) Order (SI 1974) 1271 succeeded not only to causes of action existing at the date of reorganization, but also to potential or inchoate liabilities of the old authority.

Thus an authority would be liable for damage suffered after reorganization as a result of the breach of duty or care or negligence of its predecessor committed before reorganization. Mr Justice Woolf, sitting in the Queen's Bench Division, so held, finding in favour of the plaintiff, John Charles Manning Walters, on the preliminary issue whether the defendant Babergh District Council, Suffolk, were liable to the plaintiff for the assumed negligence or breach of duty in 1961/2 of Melford Rural District Council in approved plans and imposing foundations under the Public Health Act 1936, as amended, in respect of a building purchased by the plaintiff in April 1976 which subsequently required necessitating underpinning and repair.

Mr Nigel Macleod, QC and David Holger for the plaintiff; Mr Dermot O'Brien, QC and Mr Howard Palmer for the defendants.

MR JUSTICE WOOLF said that by section 254(1) of the Local Government Act 1972, the secretary of state might at any time by order make such incidental, consequential, transitional or supplementary provisions as he considered to be necessary or proper for the general or any particular purposes of the Act.

By subsection (2) such an order might be made with respect to the transfer of property, rights and liabilities. Article 16(3)(a) of the Local Authorities (England) (Property, etc) Order 1974 made under section 254 and which came into force on April 1, 1974, provided for the transfer to listed authorities of all property and liabilities vested in or attaching to certain other listed authorities.

It was manifest that the power given to the secretary of state under section 254 was a wide power well capable of transferring a potential liability such as that now under consideration; and that the terms of article 16(3)(a) were on their ordinary meaning well capable of transferring that potential liability to the defendants.

The whole tenor of the Order was to ensure that the public should be able to look to a new authority precisely in respect of those matters in respect of which it could have looked to an old authority before reorganization. If the draftsman had not used words appropriate to cover potential liabilities, it would only be because he was so crassly incompetent as not to appreciate that for actions in tort it was not sufficient to have a breach of duty; there also had to be damage.

It was always dangerous to look to decisions on similar words in different statutes as an aid to construction, but general assistance could be found as to the meaning of "liabilities" in the judgment of Mr Justice Megarry in *Bromfield and Edwards Ltd v Inland Revenue Commissioners* (1969) 1 WLR 1180, 1189.

Agreeing with, and applying those statements, the word "liabilities" was capable of same amplitude of meaning and, in the present context, was wide enough to apply to contingent or potential liabilities.

Solicitors: William Charles Crocker, Prentys, Ipswich.

Sequential disclosure of reports in factory deafness claim

Kirkup v British Rail Engineering Ltd. Before Lord Justice Lawton, Lord Justice Kerr and Lord Justice Dillon. [Judgment delivered June 15]

An order requiring a plaintiff in a personal injury case to disclose a report by his expert engineers before the defendants disclosed theirs was upheld by the Court of Appeal. The court dismissed an appeal by the plaintiff, Arthur Kirkup, of Raby Gardens, Shildon, Co Durham, against the order of Mr Justice Cross-Johnson (The Times, October 8, 1982; 1983) 1 WLR 190) whereby, *inter alia*, it was ordered that the plaintiff should disclose his engineers' report not later than 28 days after setting down and the defendants, British Rail Engineering Ltd, should disclose their report within 45 days thereafter.

Mr Christopher Rose, QC and Mr K. L. May for the plaintiff; Mr William Gage, QC and Mr Edward Southwell for the defendants.

LORD JUSTICE LAWTON said that since it was first adjudged to be negligent for an employer to allow excessive noise in his factory so as to cause deafness among employees (*Berry v Stone Mansions & Marine Buildings* (1933) 131 no fewer than 8,661 such claims had been made against British Rail. That plethora of claims had caused considerable procedural difficulties, and had to be borne in mind that conditions varied not only from one workplace to another but in different parts of one workplace.

The plaintiff had entered the defendant's premises in 1952 as a fitter, became a millwright, then a workshop assistant and, more recently, an industrial engineering assistant. The engineering advice obtained by the plaintiff covered a very broad area of investigation and the statement of claim was in very general terms. His Lordship said that the majority of personal injury cases, where the area of inquiry and

Vehicle smoke a public nuisance

Tysoe v Davis and Another. Before Mr Justice Skinner. [Judgment delivered June 16]

A defendant who drove on the highway a motor car which was emitting dense clouds of smoke was not only negligent but had also committed a public nuisance. Mr Justice Skinner so held in the Queen's Bench Division, giving judgment on liability as to 80 per cent in favour of the plaintiff, Andrew Tysoe, who had been injured after his moped had collided with the motor car, owned by the second defendant, Brook Zym Industrial Ltd, and driven by the first defendant, Mrs Julia Davis.

Mr Roger Gray, QC and Mr Ian Karsten for the plaintiff; Mr Philip Otton, QC and Mr Roger Shawcross for the defendants.

MR JUSTICE SKINNER said that the accident had occurred when the plaintiff, riding a moped, had overtaken a Land-Rover driving behind the defendant's motor car. Because of the smoke it was emitting, he had not seen the motor car until he had already pulled up, by which time it was too late to avoid it.

His Lordship said that he was satisfied that the accident had two causes: (1) the dense cloud of smoke produced by the motor car which considerably reduced the plaintiff's visibility; and (2) the plaintiff's own failure to keep a proper lookout.

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Clive Cookson reports on the unprecedented flow of capital into new companies that is bringing back a fresh confidence in high technology

Green for 'go' in Silicon Valley

The old self-confidence is flooding back through Silicon Valley, washing away last year's short-lived uncertainties about the recession and Japanese competition.

Business is booming again: the American public and politicians have discovered "high tech" and see Silicon Valley as a role model for the industrial revival of the whole country, and even the Japanese seem less fearsome competitors than a year ago.

The total amount of risk capital raised in the United States has increased more than 100-fold in less than 10 years, from just \$10m in 1974 to \$667m in 1980, \$867m in 1981 and \$1,423m in 1982. This year is likely to exceed \$2,000m. As much as 30 per cent of the funds are invested in the former plum orchards of Santa Clara County, California, which are known now as Silicon Valley.

Venture capitalism has been extraordinarily profitable in Silicon Valley, with many funds making 25 per cent a year on their investments and Don Valentine, the acknowledged champion, achieving a 50 per cent annual return. That is not just because the valley is a fertile source of bright entrepreneurs with good ideas but also because the investors go to extraordinary lengths to nurture their start-ups.

The support for new ventures comes from the valley's famous "network" - the most sophisticated business infrastructure outside Wall Street. Venture capitalists help budding entrepreneurs to find legal advice ranging from corporate structure to contracts and patents; marketing and public relations services; experienced managers, bankers and accountants; early customers; and manufacturing assistance and subcontractors.

In a market where everybody's money is green and there's a lot of it about, it's more important who invests in your company than how much is invested, said Rigos McKenna, Silicon Valley's public relations king and a key member of the network. "The company with high-quality investors will attract or be led to other high-quality members of the network."

Hearing some Silicon Valley entrepreneurs enthuse about the supporting network, the visitor is easily lulled into feeling that no company founded with the right connections in the valley can fail. The president of one electronics firm, started with several million dollars of venture capital funding, told me: "If my company ran into trouble, the investors would come to the rescue even if it meant putting in twice as much



Stephen Johnson

as they originally planned... but I would no longer be president."

It is too early to predict the failure rate among the offspring of the present venture capital boom. Professor Albert Bruno of the University of Santa Clara tracked 250 high technology companies established during the 1960s when the network was already alive (though very poorly financed by today's standards). He found that little more than one third of the firms had disappeared by 1980; a third had been taken over or merged, and the final third were still independent.

Kevin Rosen, a venture capital partnership started two years ago by Ben Rosen, formerly America's best-known electronics analyst, and L. J. Sevin, founder of the semiconductor firm Mostek, has put \$17m into 17 new ventures (selected from 300 proposals). Only one has run into serious problems, Mr Rosen said, and those are being corrected by a change of management.

The number of start-ups in Silicon Valley (currently about three a week) is increasing in proportion to the funds available, because today's new companies are much hungrier for cash than their 1970s predecessors. High tech entrepreneurs require huge investments to make an impact on the crowded and competitive markets of the 1980s. In many fields, Ben Rosen says, a new venture needs 10 times as much money as its equivalent five or ten years ago. Semiconductor companies were started with \$1m each in the

to invest "many billions of dollars a year" by the late 1980s.

Silicon Valley entrepreneurs are not, for the most part, the brilliant young Californians of popular imagination. The story of 21-year-old Steve Wozniak founding Apple Computer in their garage has given the wrong impression.

A more typical Silicon Valley enterprise is started by a small group of experienced electronic engineers - business-suited men in their late 30s or even early 40s who have worked several years for a well established company like Hewlett-Packard, Xerox or one of the older semiconductor manufacturers.

Often they leave to pursue a good business or technical idea which their employer cannot take up because corporate resources are fully stretched by other research and development proposals.

Frequently, established companies pursue departing employees with legal action.

"The legal system in this country allows anybody to sue anybody else," said Robert Swanson who was sued by National Semiconductor after he led some of the company's best linear circuit designers away to found Linear Technology.

"You haven't arrived as a venture capitalist unless you've been sued several times," said Ben Rosen. "I think the main reason for suing is to discourage more employees from leaving their companies."

stronger position to bargain with the venture capitalists as more and more investors wave dollars at the most promising start-ups. So the founders do not have to hand over such a large share in the company to their backers.

However Ben Rosen rejects the argument, heard with increasing frequency, that "too much money is chasing too few good ideas." He believes that there will be enough worthwhile proposals for venture capitalists

Don't let your daughter forget that people come first

JOB SCENE

Dear Mrs Worthington, So your daughter Sally has given up her hopes of ever appearing on the stage and has decided she wants to work with computers. The advice I can give is not as clear as a parent would like because it is no longer easy for a young man or woman leaving school to get a job, let alone get one working with computers.

My first word of advice to you and Sally is that she will not be working with computers but with people. Whatever work she does get the essential ingredient will be the people she works with and how she gets on with them. I do hope she does not turn into one of those people mesmerized by the machine and oblivious to the people around them. Any good interviewer will spot that a mile off and not employ her.

It was by chance the other day that I polled a group of distinguished members of the computer industry with responsibility for information technology in a chemical company, a major retailer, a major confectionery manufacturer and an oil company. There was also a senior director from one of the UK's leading companies dealing

"Trainable" is the key word because whatever Sally knows now will soon be out of date. Potential employers will not be testing her knowledge of computers but will be trying to understand now she grasps complex ideas.

She will not walk into a job. Very few companies computers are offering training schemes for school leavers however bright and keen they are. Computer users are no looking for experienced staff.

The third proposal is that Sally should write, as soon as possible, to all the sizable companies that make, set, repair, install or advise people about computers. By starting with a company that supplies computers, parts of them or in some other way part of the computer industry, she will get a good background from which she can work.

A lot will depend on Sally's persistence because doors will not fly open for her. By the way, this advice is also valid for John when he leaves school next year.

Yours sincerely, Richard Sharpe Editor of Computing

Your chance for computer book

Last week's offer of a free copy of the Barclays Bank /Enterprise Books title 'Make a success of Micro-computing in your business' produced a huge response from readers. The 100 copies on offer were spoken for the day after publication.

Enterprise Books generously offered a further 100 free copies which have all now been allocated. Unused postage stamps will be returned to the unsuccessful applicants, who can now take advantage of a special offer by the publishers, who are

offering the book to Computer Horizons readers at £2.95, less than the normal price of £4.95. Simply cut out this article and send it with £3.95p, plus 40p postage and packing. Enterprise Books, P.O. Box 81, Hemel Hempstead, Herts

WHEN IT COMES TO CHOOSING A COMPUTER COMPANY THE QUESTION ISN'T WHO'S BIGGER, IT'S WHO'S BETTER.



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If you need any help, just call the Burroughs Resource Control Centre. More than 1,000 trained Burroughs computer specialists are available to help you with any problem—whether it's our hardware, software, or operating systems. (Being in the office equipment business in Britain for 87 years has taught us a little something about service and support.) So, if you're in the market for a small business computer, your decision shouldn't be based on a company's size. But rather, on the company's quality.

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COMPUTER BRIEFING

The move towards electronic banking takes another step with the installation this month of the first British Telecom Silverphone systems in Greenford telephone exchange, writes Martin Banks. It will allow retailers to gain direct access to the computer systems of the four major credit card companies by way of a modified BT Spectra 100 telephone handset, called the Checkphone in order to check whether the credit transaction is authorised. Silverphone has been developed by BT by Comdial Communications Systems in Frinton Green, recently acquired subsidiary of Comdial in the USA. The modified telephone is being produced for BT by Comdial, which is planning to manufacture in South Wales. When a credit transaction requires authorisation the retailer will first key details into the telephone without picking up the handset. These will include the card number, the retailer identification and the amount involved. The retailer will then use the Checkphone's memory dialling capability to connect with the Comdial system in the local telephone exchange. This, based

on equipment manufactured by Peripherals in the USA, checks that the touch-tone message is "clean" when transmitted by the telephone, and then automatically dials the relevant credit company or BT's packet switched data transmission service. Authorization is then transmitted back to the Comdial exchange equipment. From here, the voice takes over from digital and touch-tone and the correct message for the retailer will be assembled from recorded vocabulary held in semiconductor memory.

The £325 price of a Commodore 64 personal computer is set to tumble to £200 within a month, writes Ian White. This is the latest of a round of cuts that have seen home and hobby micros fall in cost by up to 25 per cent over the last two months.

The price war started when W. H. Smith reduced the price of the ZX1 to £110. Such is the popularity of Clive Sinclair's best-seller (it has 42 per cent of the market) that the domino theory went into effect. Texas Instruments and Commodore responded to the ZX1 move either by reducing the price of their products or throwing in extras.

Atari followed by knocking £100 off the price of its Atari 800 bringing it down to £299. Insiders expect the 800 to drop a further £100 soon to remain competitive. At least one more round of price-cutting is expected before Christmas as new models come on stream. From then on the price of a home computer will stabilise at around £200 with improvements coming in the form of added memory and capacity.

Nine per cent of all small businesses in the UK now have a micro, according to an analysis by Gowling Market Services. Unit sales of 6,650 in 1979 grew to 34,200 in 1982 and a further 85,000 new customers are expected by the end of the year. Apple, the brand name which is probably most recognizable by the micro novice, is still keeping ahead of the game despite the emergence of new machines from IBM, Wang, Digital and others.

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RACING CONTINUED

Shareef Dancer steps up for a starring role

By Michael Seely

Shareef Dancer will try to maintain Michael Stoute's good record in the Irish Sweepstakes Derby on Saturday...

spring the three-year-old will be working so brilliantly at Newmarket... Michael Stoute is well aware that the Nijinsky colt is the Welsh Derby at Chepstow on July 5.

Guinness winner, Wassal, would attempt to complete a notable double in the Derby... Michael Stoute is realistic and is therefore a half brother to Vaigly Grand Star.

Michael Stoute: realistic

and is therefore a half brother to Vaigly Grand Star... A one and a half lengths winner at Warwick on May, Vaigly Rel is an improving three-year-old...

When a magic wand was waved by the man most unlikely to

From John Hennessy, Golf Correspondent, Pittsburgh

The siren sounded at 10 o'clock on a heavy overcast morning to signal the resumption of the United States Open championship at Oakmont Country Club yesterday.

course, the 32-year-old seventeenth and Nelson on the hardest, the 456-year-old eighteenth. Watson pitched into a bunker, came out brilliantly to four feet and then, horror of horrors, missed the putt.



Nelson: holed from 20 yards to take title

Watson thus needed a birdie three at the last, an achievement that has rarely been recorded during the whole week. He hit a towering drive, measured at 310 yards, and was left with only a seven-iron. He sailed through the green and, after dropping from ground under repair, he needed another pebble beach chip to save his skin.

Final scores

Table listing final scores for various golfers including Nelson, Watson, and others.

RUGBY UNION

All Blacks phenomenon has words of advice for Lions

From Terry McLean, Wellington

There might be a light at the end of the dark tunnel... The light is supplied by the man who is, without doubt, the most extraordinary phenomenon in world rugby...

EQUESTRIANISM

Chance for Britain to move in

From Jenny MacArthur, Aachen

The late withdrawal of the French team from the seventh Nations Cup event of the season which takes place here on Friday gives Britain a chance to catch up with France in the battle for the President's Cup.

IN BRIEF

Sibson in line for title bout... Tony Sibson has been nominated by the European Boxing Union as the official challenger for the European middleweight title.

NETBALL

England need to boost their confidence

From a Special Correspondent, Singapore

New Zealand won their last group A match against England by 51-36 at the sixth world netball tournament yesterday.

Nicholas ready to sign

Arnscliff City want the former England captain, Gerry Francis, as their player-manager.

Canada

Scotland... Toronto (Reuter) - Scotland beat Canada 2-0 in the final match of their three-match tour to finish with a perfect record.

LEADERSHIP POSITIONS

Botswana 30 18 0 8 31 49... Bank of Africa 30 18 0 8 31 49

FOOTBALL: BOYS FROM BRAZIL INHERIT THE SKILLS

after winning the first leg 3-1... Fenerbahce clinched the Turkish championship with a 1-1 draw at home to Boluspor.

European league results

AUSTRIA: Linz ASK 3, Graz AK 3... Austria Vienna 2, Sturm Graz 2, West Linz 1

Gray's two goals take Scots to third tour win

chance came in the fifty-fifth minute when Mitchell, of Montreal Manic, broke through with only Leighton, the Aberdeen goalkeeper, to beat.

NETBALL

England need to boost their confidence... From a Special Correspondent, Singapore

Table showing netball scores for various teams including New Zealand, England, and others.

3.30 MONTPELIER STAKES (3-y-o; £1,857; 1m) (12)

Racing results table for Montpellier Stakes, listing horses, jockeys, and odds.

4.0 PALACE HANDICAP (E1,731; 7f) (13)

Racing results table for Palace Handicap, listing horses, jockeys, and odds.

4.30 MARINE HANDICAP (E1,611; 5f 66y) (9)

Racing results table for Marine Handicap, listing horses, jockeys, and odds.

Brighton selections

Selections for Brighton races, listing horses and jockeys.

5.15 THORN STAKES (Div 1; 2-y-o maiden fillies; £1,358; 5f) (12)

Racing results table for Thorn Stakes, listing horses, jockeys, and odds.

5.45 MEXBOROUGH STAKES (Div 1; maidens; £290; 1m 2f) (17)

Racing results table for Mexborough Stakes, listing horses, jockeys, and odds.

6.15 MEXBOROUGH STAKES (Div 1; maidens; £90; 1m 2f) (16)

Racing results table for Mexborough Stakes, listing horses, jockeys, and odds.

6.45 THRU STAKES (Div 1; 2-y-o maiden fillies; £1,347; 5f) (12)

Racing results table for Thru Stakes, listing horses, jockeys, and odds.

Pontefract selections

Selections for Pontefract races, listing horses and jockeys.

4.15 TURIN TO YORKSHIRE STAKES (2-y-o; £2,421; 6f) (5)

Racing results table for Turin to Yorkshire Stakes, listing horses, jockeys, and odds.

4.45 PONTFRAC CUP HANDICAP (E1,903; 2m 2f) (16)

Racing results table for Pontefract Cup Handicap, listing horses, jockeys, and odds.

Brighton

Racing results table for Brighton races, listing horses, jockeys, and odds.

2.30 COAST TO COAST STABLE AWARD (E2,008; 1m 2f) (17)

Racing results table for Coast to Coast Stable Award, listing horses, jockeys, and odds.

3.0 OPERATIC SOCIETY CUP (handicap; £3,028; 1m 4f) (7)

Racing results table for Operatic Society Cup, listing horses, jockeys, and odds.

Pontefract

Racing results table for Pontefract races, listing horses, jockeys, and odds.

3.15 GROVE HANDICAP (handicap; £781; 1m) (13)

Racing results table for Grove Handicap, listing horses, jockeys, and odds.

3.45 PONTFRAC PARK HANDICAP (3-y-o; £2,620; 1m) (8)

Racing results table for Pontefract Park Handicap, listing horses, jockeys, and odds.

4.15 TURIN TO YORKSHIRE STAKES (2-y-o; £2,421; 6f) (5)

Racing results table for Turin to Yorkshire Stakes, listing horses, jockeys, and odds.

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Racing results table for Pontefract Cup Handicap, listing horses, jockeys, and odds.

IN BRIEF

Sibson in line for title bout

Tony Sibson has been nominated by the European Boxing Union as the official challenger for the European middleweight title.

MOTOR RACING: Donington Park is set to stage its first British Grand Prix

The RAC Motor Sports Association have offered the 1988 Grand Prix, provided Donington Park has obtained a track licence for Formula One racing by April 1986.

GOAL: Jan Sepperson of Australia holed a 10-foot putt on the eighteenth hole on Monday, Pennsylvania, to retain her Lady Leyside title, worth \$30,000.

She had a three-round total of 205, 11 under par, leaving her one stroke ahead of her nearest challenger, Pat Bradley, of the United States.

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NETBALL

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Table showing netball scores for various teams including New Zealand, England, and others.

Silva penalty sinks Argentina

Mexico City (Reuter) - Brazil added another trophy to their glittering collection, World Youth Cup, when they beat Argentina 1-0 on Sunday before more than 100,000 spectators in Mexico City's Aztec Stadium.

Penzo put Verona ahead, Volpatti scores their second

IFK Gothenburg completed a Swedish league and cup double when an extra-time goal enabled them to beat Stockholm-based Hammarby 1-0 in the cup final.

Bayer Verdingen won promotion to the West German first division and Schalke 04 dropped into the second division.

Bayer Verdingen won promotion to the West German first division and Schalke 04 dropped into the second division. Bayer held Schalke to a 1-1 draw in the second leg of a promotion-relegation play-off of six goals.

The Brazilians showing occasional flashes of the form that destroyed the likes of Czechoslovakia on the way to the final, mixed their traditional artistry with steel in defence.

Argentina were hardly given a glimpse of goal and were left still looking for their first win against their old rivals in more than a decade.

The penalty came in the thirty-ninth minute after winger Ferreira, a chovy in the side of the Argentine defence, was brought down as he burst into the goalmouth.

In Europe, Saragossa beat Real Madrid 5-3 in a Spanish league cup semi-final, first leg tie. In the other semi-final, Atletico Madrid beat Barcelona 1-0.

Verdingen had Galders sent off when he took 2-0 to Verona in the first leg of the Italian cup final. Galders was ordered off in the 40th minute, and four minutes later,

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Sibson: challenger

SHOOTING: United States won the team and individual titles in the men's skeet competition at the world championships at Edmonton, Wallace, Sykes (Britain) was fifth in the individual. In the women's skeet Britain were fourth in the team.

RESULTS: Men: Individual: 1, M. Dwyer (USA), 192; 2, P. Robinson (FR), 184; 3, M. Thompson (USA), 182. Team: 1, USA; 2, USSR; 3, Czechoslovakia.

4th, Hungary; 5th, West Germany; 6th, Canada; 7th, USSR; 8th, Czechoslovakia; 9th, Poland; 10th, France; 11th, USSR; 12th, Canada; 13th, USSR; 14th, Czechoslovakia; 15th, Poland; 16th, France; 17th, USSR; 18th, Canada; 19th, USSR; 20th, Czechoslovakia; 21st, Poland; 22nd, France; 23rd, USSR; 24th, Canada; 25th, USSR; 26th, Czechoslovakia; 27th, Poland; 28th, France; 29th, USSR; 30th, Canada; 31st, USSR; 32nd, Czechoslovakia; 33rd, Poland; 34th, France; 35th, USSR; 36th, Canada; 37th, USSR; 38th, Czechoslovakia; 39th, Poland; 40th, France; 41st, USSR; 42nd, Canada; 43rd, USSR; 44th, Czechoslovakia; 45th, Poland; 46th, France; 47th, USSR; 48th, Canada; 49th, USSR; 50th, Czechoslovakia; 51st, Poland; 52nd, France; 53rd, USSR; 54th, Canada; 55th, USSR; 56th, Czechoslovakia; 57th, Poland; 58th, France; 59th, USSR; 60th, Canada; 61st, USSR; 62nd, Czechoslovakia; 63rd, Poland; 64th, France; 65th, USSR; 66th, Canada; 67th, USSR; 68th, Czechoslovakia; 69th, Poland; 70th, France; 71st, USSR; 72nd, Canada; 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CRICKET

Binny sends limp Australia packing to earn India a semi-final place

By Alan Ross CHELMSFORD: India (4 pts) beat Australia by 118 runs.

India bowled and fielded like tigers to beat Australia yesterday for a Prudential Cup semi-final place against England...

Of the six wickets to fall before tea, Binny took four, three of them in his first three overs for six runs...

India should have felt at home in the heat, flags, chanting and general din making it seem more like Calcutta than Chelmsford...

Despite consistent batting, they failed to dominate the Australian attack sufficiently...

Although Gavaskar was out at 37 to Hogan who was again just about the best of the Australian bowlers...

Both were good catches but soon Hogan dropped a much easier one, putting down Kapil Dev at long on when he was six...

Kapil Dev, as well he might after his adventure at Tunbridge Wells, looked in the ripest form...

After having driven MacLeay first bounce into the striped tents on long-on, he tried to force Hogan off the back foot...

Haynes: setting in comfortably

West Indies beat big drum to crush Zimbabwe

By Peter Marson EDGBASTON: West Indies (4 pts) beat Zimbabwe by 10 wickets.

West Indies, the Prudential World Cup holders, cruised to their fifth victory over six matches in the competition's Group B here yesterday...

In the second over of the afternoon, bowled by Richards, the pace and tension that had been building up...

Once Zimbabwe had been put out for 171 runs, West Indies, in the persons of Haynes and Baughnall, settled in comfortably...

It was sunny and warm when Zimbabwe won the toss and chose to bat, Marshall bowled the opening over but immediately gave way to Davis...

Disappointed, dejected, then how could it be otherwise? After another 12 overs, where in Brown and Pycroft had helped add 24 runs...

At 42 for two Pycroft obligingly edged Marshall to the wicket-keeper and at the same score Houghton played Daniel off his legs...

Today's cricket fixtures

11.0 to 5.30 on 6.0 County championship

11.0 to 5.30 on 6.0 County championship

11.0 to 5.30 on 6.0 County championship

11.0 to 5.30 on 6.0 County championship

11.0 to 5.30 on 6.0 County championship

11.0 to 5.30 on 6.0 County championship

11.0 to 5.30 on 6.0 County championship



Dias awaits the inevitable. Gould, England's wicketkeeper, awaits the ball.

England chalk up their fifth win

By Richard Streeton HEADINGLEY: England (4 pts) beat Sri Lanka by nine wickets.

England overwhelmed Sri Lanka yesterday and just before tea completed their fifth Prudential World Cup Victory in Group A...

It was a further highly competent all-round showing by England, something which prompted Richard Hutton, the adjudicator, to give Willis, the England captain, the man of the match award...

Willis, winning the toss for the third time in England's six games, led to the opposition in the first time and immediately imposed his will on the game by bowling nine overs and taking one for nine...

England's batsmen hitherto have not been severely examined by extreme pace at both ends, but this confidence in tomorrow's semi-final at Old Trafford...

Yorkshire hit out for a three-year best

By Peter Ball SOUTHAMPTON: Hampshire, with eight second innings wickets in hand, are 170 runs behind Yorkshire.

Most bowlers will tell you that cricket is a batsmen's game. It is not always true, but it certainly was yesterday. Over 400 runs were scored in the day and only six wickets fell...

Then Hampshire, whose recent batting performances without Greenidge, Turner and Marshall have left a lot to be desired, followed suit as they reached 179 for two, by some way their best performance in their last four innings...

Ironically, with all those runs about, although six batsmen scored fifties, no one reached the three figures. The nearest to do so were Athey, who was only 10 runs short of becoming the first Yorkshire batsman to score a hundred in a championship game...

Yorkshire's caution on Saturday had not been universally appreciated, but the overnight lead of 110 provided a solid foundation for a morning assault. It came as first Stevenson, promoted in the order in pursuit of quick runs, and then Barrow and Carrick battered the bowling...

Stevenson began by striking Southern a towering six over his head and, having tasted blood, hit three more from successive balls, two of them in the first over...

At lunch, Yorkshire were 276 for seven; 300 arrived three overs later as the pugnacious Barrow assumed

Bamber has a good debut

NORTHAMPTON: Warwickshire, with five second innings wickets in hand, are 252 runs ahead of Northamptonshire.

Warwickshire go into the final day with an overall lead of 252 at 100 for five in their second innings as they chase their fourth championship win in a row...

At lunch, Warwickshire were 159 for two, with the first innings, but Norman Gifford, Warwickshire's acting captain, did not enforce the follow-on...

After Larkins, batting despite a damaged finger on his left hand, was dismissed for six, in contrast to his record-breaking 172 not out off Warwickshire at Luton on Saturday...

Edmonds: cleaned up tail

LANCASHIRE: Lancashire, with four second-innings wickets in hand, lead Sussex by 153 runs.

The Sussex fast bowler, Tony Pigott, claimed five wickets for 31 runs as Lancashire were left reeling at 71 for six in their second innings...

Pigott, bowling despite considerable pain from a stress fracture of the left shin, took his wickets in quick succession after he had caught Maynard off the Roux with the score 16.

Edmonds: cleaned up tail

Pakistan squeeze out New Zealand in a thrilling finish

By John Woodcock, Cricket Correspondent Trent Bridge: Pakistan (4pts) beat New Zealand by 11 runs.

By beating New Zealand in a match which developed, after it seemed to have died, into a thrilling finish, Pakistan qualified yesterday for the testing privilege of meeting West Indies at the Oval in tomorrow's semi-final.

The architects of Pakistan's victory were Imran Khan and Zaheer, who shared an unbroken partnership of 147 in 27 overs; that the end to furious excitement was due to Coney, Lees and Bracewell: needing 262 to win, New Zealand were only 11 short when the last wicket fell.

The crowd was a good one, in which Pakistanis were a vast majority. The weather was gorgeous, the pitch excellent. In leaving out a batsman (Wasim Raja) to strengthen their bowling (Shahid Mahboob was bought in), Pakistan took a gamble which, thanks to Zaheer and Imran, they could feel was justified. There was nothing to discourage Pakistan, on winning the toss, from batting, although the morning went New Zealand's way.

At lunch Pakistan were 126 for three, with 42 overs gone. Ranting through the overs, so long as they are tidy enough, can be an effective way of staying in the game. The fact that Mansoor took 19 overs to make 25 runs shows how well New Zealand did just that until after lunch anyway. Coney bowled with much class in the Bob Appleyard style, the ball seldom being quite "there" for the batsman to hit. Coney took the first two wickets, having Mohsin caught on the leg-on-edge in the 11th over and the twentieth over and bowling Mudasar in the twenty-second.

Watching Zaheer work out the angles was of absorbing interest in the hour before lunch. He is one of the game's great placers of the ball, opening and closing the door of the leg in order to avoid the fielders. His special glory is the square drive, for which Howarth soon had someone on the cover boundary. Mansoor was out of touch, chopping Hadlee into his wicket just before lunch after adding 60 with Zaheer.

To give themselves anything like a winning total, Pakistan still had a lot to do. The way in which Zaheer and Imran managed it was highly accomplished. Not until the overs were fast running out were they in the least reckless. Zaheer, now finding gaps, showed the way, scoring 50 runs by the willow with his one-side placements. And with a dozen overs still to go Imran had played himself in.

One important chance was missed, Zaheer, off the wicket that took him to his fifty, could have been caught at the 'wicket' off Chaffield. He was trying to run the ball through the deserted slips and Lees ought to have caught him. In the last few overs of the innings Zaheer and Imran made 89, 57 of them to Imran with resounding blows. Hadlee's last six overs cost 47 runs, 33 more than his first seven. By three o'clock New Zealand were batting, on an hour ahead of the usual schedule.

New Zealand's foremost batsman, Turner, had a disappointing fortnight, scoring only 103 runs in six innings. Yesterday he was out in the third over, well caught at the wicket chasing after Sarfarz. A lot more runs had been expected of Wright. He, too, now, lost his composure, soon as Cady came on. Eventually, trying to hit his way out of trouble, he kicked him to mid-on.

By tea (85 for two in 26 overs) Cady's first spell of seven overs had been negotiated without further mishap. Then, with the match well in hand, he hit the first ball of the evening, a high full toos from Zaheer, gently to square leg.

Edgar, another good player not to have done himself justice, was leg before to Mahboob, trying to make up time, from such a long-on boundary, he had a stinging hit from Hadlee, hands above his head, and Cairns squirted his first ball to backward cover.

So it was left, therefore, to the lesser lights to provide the excitement.

What no-one had told us was that Bracewell, one of four brothers to have played first-class cricket, entered the game as a batsman. After Coney and Lees had added 35 for the eighth wicket, Bracewell began to come to his own. In 10 overs left, he played needed. With five to come, that was down to 48. When 14 came from the fifty-sixth over and 12 from the fifty-seventh, Pakistan were in disarray.

With only 22 needed from the last three overs, and the batsmen playing as they were with enormous dash and vigour, and Pakistan feeling as they must have been, new Zealand were in a bit of a fix. The Mohsin - this time at deep square leg - held another splendid catch, a pull from the middle of Bracewell's bat that would have gone for six. Thirteen from the last over and Chaffield at the striker's end led to the inevitable run-out with which to end.

PAKISTAN First Innings

Mohsin Khan c Coney b Cady 33

Mohsin Khan c Coney b Cady 33

Mohsin Khan c Coney b Cady 33

Mohsin Khan c Coney b Cady 33

Mohsin Khan c Coney b Cady 33

Mohsin Khan c Coney b Cady 33

Mohsin Khan c Coney b Cady 33

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Mohsin Khan c Coney b Cady 33

Various advertisements and notices on the right margin, including 'ALFRED' and other text.

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YACHTING

Victory '83 wins as French lose mainsail

Newport (Reuter) - Victory '83, the British yacht in the America's Cup, won its opening qualifying race on Sunday, beating France III over a 14-mile course around Rhode Island's Southern Point. Victory '83 by a minute and a half at the last turning mark, the French boat lost a mainsail on the last leg and failed to finish.

The result made up for Saturday's defeat by Challenge 12. Paul Crebbin and Lawrence Smith supported the boat to a three-second lead immediately after the start, the gap widening to 53 seconds by the first weather leg.

Australia II, the favourite to qualify, beat its Australian rival Advance. It finished two minutes 29 seconds ahead over the Olympic course, most of which was sailed upwind. The third Australian boat, Challenge 12, beat Canada I by two minutes and one second.

Fog reduced the number of races, with the Italian yacht, Azzurra IV, being unable to complete two. Two American boats, Courageous and Defender, had hoped for two races but were limited to one over a 16-mile course. Courageous winning by one minute 56 seconds.

Victory '83 were due to meet Australia II yesterday in the first division of the challenger group. There were also races between Challenge 12 and Azzurra IV in the second division and Canada I and Advance in the third. On the United States side Defender met Liberty.

The challenging yachts are competing in five divisions to decide which of them will meet the American entry in a best-of-seven series beginning on September 13.

ATHLETICS

Lewis gets closer to Beamon

Indianapolis (NYT) - Carl Lewis has become the first athlete in 97 years to win three titles in the United States outdoor track and field championships. On the way he made history's second-longest long jump of 8.79 metres (28ft 10in) and clocked the second-fastest 200 metres (19.75 seconds).

On Saturday night Lewis won the 100 metres for the third consecutive year. Then on Sunday afternoon, he won the long jump for the third year running. To round things off he then won the 200 metres semi-finals and final. In all three events he demolished fields of Olympic calibre.

Lewis is 21-years-old, 6ft 2in and weighs 128st 12lb. He comes from Willingboro in New Jersey. He is a junior at the University of Houston, and is attending summer school there.

Lewis's heroics dominated the third and final day of the championships. Mary Decker won two titles (1,500 and 3,000 metres) 50 minutes apart. Evelyn Ashford gained the 100 metres and 200 metres championships in two nights, and Edwin Moses (400 metres hurdles) won his seventh-fifth consecutive final over six years. Steve Scott beat Tom Byers, Sydney Maree and Ross Donoghue in a highly-competitive, men's 1,500 metres.

Lewis had hoped that his first jump would be long enough to assure himself of first place. Then he planned to return to his hotel room and rest for almost two hours before the 300 metres semi-finals and final. It was warm and overcast, and only half of the 10,637 spectators had arrived when Lewis made his first jump over the Indiana University stadium's all-weather track.

It was the longest jump ever at sea level, and the longest anywhere except for Bob Beamon's 890 metres (291ft 2in) in Mexico City's 7,800ft altitude during the 1968 Olympics. Lewis was helped by a tailwind of 4.12 miles an hour. A wind exceeding 4.47 miles an hour would have negated the jump for record purposes.

Lewis was so pleased that instead of returning to his hotel, he jumped again. This time, he reached 8.71 metres (28ft 7in), the fourth-longest legal jump in history. After his second jump, Lewis put on a grey tracksuit, stretched at his starting block near the long jump runway and watched the rest of the competition. He passed his four remaining attempts.

RESULTS: 100m: 1. C Lewis 10.75 sec (US record); 200m: 1. S Byers 19.75 sec (US record); 400m: 1. E Moses 1:00.00; 800m: 1. M Decker 2:00.00; 1,500m: 1. S Scott 3:58.00; 3,000m: 1. M Decker 8:00.00; 5,000m: 1. D Padilla 15:25; 10,000m: 1. E Moses 32:00; 20,000m: 1. E Moses 65:00; 50,000m: 1. E Moses 1:40:00; 100,000m: 1. E Moses 3:20:00; 200,000m: 1. E Moses 7:00:00; 400,000m: 1. E Moses 1:30:00; 800,000m: 1. E Moses 3:00:00; 1,500m: 1. S Scott 3:58.00; 3,000m: 1. M Decker 8:00.00; 5,000m: 1. D Padilla 15:25; 10,000m: 1. E Moses 32:00; 20,000m: 1. E Moses 65:00; 50,000m: 1. E Moses 1:40:00; 100,000m: 1. E Moses 3:20:00; 200,000m: 1. E Moses 7:00:00; 400,000m: 1. E Moses 1:30:00; 800,000m: 1. E Moses 3:00:00.

CANOEING

Gold medal for the British kayak team

Merano, Italy (Reuter) - Britain won the gold medal in the men's kayak team slalom on the last day of the world's whitewater canoeing championships here on Sunday. The win put Britain into third place in the medals' table with three gold, two silver and three bronze. France led with five gold medals, three silver and two bronze; West Germany gained three gold, six silver and five bronze.

The men's British kayak team, led by Richard Fox, followed up the triumph in the 1981 championships. France scored an unexpected victory in the women's team kayak. The reigning champions, West Germany, were pushed into fourth place behind Britain and Czechoslovakia.

WOMEN'S KAYAK TEAM SLALOM: 1. Britain; 2. West Germany; 3. Czechoslovakia. **Men's Slalom:** 1. Britain; 2. West Germany; 3. Czechoslovakia. **Women's Slalom:** 1. West Germany; 2. Britain; 3. Czechoslovakia. **Men's Slalom:** 1. Britain; 2. West Germany; 3. Czechoslovakia. **Women's Slalom:** 1. West Germany; 2. Britain; 3. Czechoslovakia.

Endurance entry
Tokyo (Reuter) - Jacques Cornu (France), the world champion, beat a field of 11 in the eight-hour world motorcycle endurance race at Suzuka on July 31. The British competitors are Bob Smith and Tony Rutter.

Legal Appointments



Imperial Chemical Industries Plc
Lawyers for Industry

ICI has vacancies for lawyers in the Company Secretary's Department in London and in the Secretary's Departments of its Pharmaceuticals Division at Alderley Edge, Cheshire and its Agricultural Division at Billingham, Teesside.

The Work in the Company Secretary's Department is varied and challenging and the prospects include transfer to one of the Company's operating Divisions in due course.

The vacancy in the Pharmaceuticals Division is in the small team of lawyers which provides specialist and general legal advice and administrative services to one of the Company's major international businesses. The vacancy in the Agricultural Division also provides the opportunity to participate in providing a wide range of services in a large business.

The successful candidates will be Barristers or Solicitors, probably in their twenties or early thirties, with a good academic background. Some experience in private practice or industry would be helpful.

An attractive salary and excellent benefits, including a profit-sharing scheme, are offered.

If you are interested in these vacancies please write to Mrs L M P Kennedy, Personnel Officer, Head Office Personnel Section, Imperial Chemical Industries Plc, IC House, Millbank, London SW1P 2JF, and enclose a copy of your CV.

Commonwealth Secretariat

Project Officer (Legal) in the Technical Assistance Group of the Commonwealth Fund for Technical Co-operation.

Applications are invited for the post of Project Officer (Legal) in the Technical Assistance Group of the Commonwealth Fund for Technical Co-operation. The salary office post would be within the scale of £10,416 to £12,144 per annum.

The Technical Assistance Group is the in-house consultancy arm of the Commonwealth Fund for Technical Co-operation. Its small team of professionals are lawyers, financial and project analysts, and economists, tax and statistical advisers. The Group provides advice on natural resource development, maritime boundary delimitation, and macro-economic and financial issues.

The Project Officer (Legal) provides professional support to the Group's legal advisers to whom he is directly responsible. This principally involves the compilation and organisation of material on legislative and tax regimes and the terms of concession agreements in the field of natural resources development, processing and preparing back-up materials for agreements undertaken by the Group; and providing basic professional support.

Applicants who should be citizens of Commonwealth countries should have a good class honours degree in law and relevant post graduate qualifications and experience. Further requirements are knowledge and/or experience of the government or parastatal sector in a developing country, and interest in applied research plus the ability to read and understand technical documents, to produce reports in clear concise English and to work to tight deadlines.

Applications giving full details of qualifications and experience together with the names of three referees should be sent by 16 July 1983 to:

**Chief Personnel Officer
Commonwealth Secretariat
Marlborough House, Pall Mall, London SW1Y 5HX
Telephone: 01-839 3411**

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Please apply with your curriculum vitae to Geoffrey Stringer

**Stringer, Saul and Justice
Marcol House - 293 Regent Street
London W1R 7PD - 01-631 4048**

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Required for Bristol chambers. Must be a Barrister's Clerk with ability to handle a busy office. Applications are considered from solicitors, but other suitable candidates will be considered. For details contact: Mr. J. H. Jones, 10, The Quadrant, Bristol, Tel: 01-252 1234.

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Senior partner in busy architectural practice in SW1 area. seeks capable enthusiastic Secretary/PA with excellent secretarial skills (minimum 100/50), good telephone manner, ability to deal with clients, conveyance and adaptability essential. Pleasant environment, salary by negotiation, 4 weeks holiday, 5 day c.v. in first instance. Method private and confidential. In: Susan Blackmore, 21, Douglas Street, London SW1.

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They require Solicitors, recently qualified or with up to three years' post-qualification experience, to conduct international insurance, reinsurance, shipping and transport cases, including advising on and handling disputes in this country and in many foreign jurisdictions, involving a wide variety of legal and commercial problems and travel abroad. Previous experience of reinsurance disputes or other types of substantial commercial litigation will be a distinct advantage. The rewards and prospects are excellent.

Candidates should apply in writing, enclosing a comprehensive curriculum vitae and quoting reference 2067 to Mrs. Indira Brown, Corporate Resourcing Group, 6 Westminster Palace Gardens, Artillery Row, London SW1P 1RL. Telephone: 01-222 5555.

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A leading company in Aviation Support, based at London Heathrow Airport, seeks to appoint an experienced Commercial/Contracts Manager to coordinate the Commercial Function within its subsidiaries. The task is to establish and maintain an effective system of contract control and administration, including the drafting and negotiation of contracts, which satisfies the requirements of both the Company and its clients.

The successful candidate is likely to be able to demonstrate:

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This is a challenging Head Office position within a prominent international group of companies which offers excellent opportunities for advancement.

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Leading firm of Solicitors in Hong Kong require Assistant Solicitors for their Commercial and Litigation Departments.

Applicants should have minimum of two years' post qualification experience in the relevant field and should possess initiative and the ability to work with minimal supervision.

Applicants should apply, with full CV and copies of latest testimonials, to:

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EGERTON SANDLER & COMPANY

require a solicitor to manage their existing established branch office at Dartford, Kent. The successful applicant must be capable of dealing with a large volume of conveyancing with some litigation and matrimonial work coupled with general management duties and the continuing expansion of the branch. The appointment carries with it a remuneration which will accord with the successful applicant's record and abilities, together with a car and partnership prospects.

Please apply in writing or by telephone to Brian Marson at 31-35 High Street, Welling, Kent. Telephone 303 0188.

AUSTIN & CARNLEY of Luton and Dunstable, Solicitors, have the following vacancies:-

- Dunstable Office - Assistant Solicitor for Conveyancing, mainly domestic with some Commercial work involved.
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The department has a vacancy for a well qualified graduate to join a teaching team in the area of programming/computer architecture. Applicants should ideally have a good degree and industrial experience.

Applicants from those in industry who seek a career in teaching are encouraged and excellent opportunities exist for staff development in a department with a mature range of undergraduate and postgraduate courses in computing.

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The successful candidate will be appointed to the appropriate salary scale according to experience and qualifications.

Application forms and further details are available from the Personnel Office, Sheffield City Polytechnic, (Dept. T) Hallam House, Flosson Square, Sheffield S1 2SB or by phoning 26911 ext 287. Completed forms should be returned by 4th July.

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We can offer full training, high earnings potential and pleasant career prospects.

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01-828 6004.

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BIRTHS, MARRIAGES, DEATHS AND FUNERALS... THE TIMES... WEDNESDAY

DEATHS... On June 18, 1983, peacefully in hospital...

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PERSONAL COLUMNS... HOLIDAYS AND VILLAS... LATE SUMMER BARGAINS... SPICES/POROS... CRETE

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BIRTHS... BRIDGEMAN-WALLIS... On June 18th, 1983...

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MAKE SURE THEY GET THE MESSAGE... BLANC FOUSSY... Write out your message, your name, address, day telephone number...

BIRTHS... PLOWDEN RICHARDSON... On June 20, 1983...

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Today's television and radio programmes

Edited by Peter Dear

BBC 1

6.00 Coexist AM. News headlines, weather, sport and traffic details. Available to viewers with television sets without the Teletext facility.
6.30 Breakfast Time introduced by Frank Bough and Salma Scott. News at 6.30, 7.00, 7.30, 8.00 and 8.30 with headlines on the quarter-hours; regional news, weather and traffic at 8.45, 9.15, 9.45 and 10.15; keep fit and the family budget between 6.45 and 7.00; tonight's television preview between 7.15 and 7.30; review of the morning papers at 7.32 and 8.32; report from America between 7.45 and 8.00; horoscopes between 8.30 and 8.45. Closes down at 9.00.
9.53 For Schools. Colleges: Maths Course 2 (ends at 10.00) 11.00 Zoos: 2 11.15 Closes down.
1.00 News after Noon with Richard Wainwright and Salma Scott. The weather details come from Jim Bacon 1.27 Regional news (London and SE only). Financial report followed by news headlines with subtitles 1.30 News and Today. A Saw programme for the very young introduced by Derek Griffiths (r).
1.45 Wimbledon 83. Live coverage of the second day's play. First on the Centre Court is defending Ladies Singles champion Martina Navratilova who plays Miss Mould of South Africa. The action is introduced by Harry Carpenter and the commentators are Dan Maskell, John Barrett, Barry Davies, Mark Cox, Ann Jones, Virginia Wade, Bill Threlkell and Richard Evans.
4.18 Regional news (London and Scotland).
4.20 Play School. Show earlier on BBC2. 4.45 Talk Two. Lucia Skeaping reports on her recent visit to Yorkshire to watch the filming of a series of CBS dramas Great and Small. Miss Skeaping also presents clips from young viewers' requested television programmes 5.05 John Crewe's award-winning 5.10 Eureka. The first of a series of six programmes about the invention of everyday things.
5.40 News with Moira Stuart 6.00 South East at Six.
6.15 Wimbledon 83. Harry Carpenter introduces highlights of the matches played in the first round of the Ladies Singles championship.
7.15 Triangle. Episode 21 of the South Sea Islands adventures featuring the famous pilot. This week he is tricked into becoming the bodyguard of Princess Koi.
8.30 Sonny! Timothy volunteers to act as a marriage counsellor to his parents. Starring Ronnie Corbett (r).
9.00 News with John Humphrys
9.25 Shows. A Tuesday documentary on a night with the Blue Witches at Brighton Race Station. Twelve men on fire nine hours on duty, from 6.00pm, at one of London's busiest fire stations.
10.15 People and Power presented by David Dimbleby. A series of political magazine programmes this week includes an item on the problems facing Bernard Weatherill, the new Speaker of the House of Commons.
10.55 Flamingo Road. The crippled comedian, confined to a wheelchair, becomes a political asset for her cunning husband, Fledding.
11.45 News headlines and weather.

TV-am

6.25 Good Morning Britain presented by Nick Owen and Anne Diamond. News at 6.00, 7.00, 7.30, 8.00, 8.30 and 9.00; today's guest Helen Gurley Brown at 6.30; cartoon at 6.45; the day's papers reviewed at 7.05; top video at 7.30; inside Joe Loss's house 8.05; television preview at 8.30; and your body at 8.55; exercise with Mad Lizzie at 9.15.
12.00 Thames news headlines. 9.30 For Schools: Elementary arithmetic. 9.45 News presented by Derek Griffiths for the hearing impaired. 10.04 A school's adopted friend. 10.21 The special needs of handicapped children. 10.43 Documentary: Star Spangled Soccer. 11.00 Play: The Life. 11.22 Basic maths. 11.30 French conversation.
12.00 Cockleshell Bay. Seaside adventures of the Cockle twins, Robin and Rosie (r) 12.10 Once upon a Time. Mark Wynter tells the story of the invitation to the Wedding (r) 12.30 The Sullivans.
1.00 News 1.20 Thames news 1.30 Look Who's Talking. Derek Griffiths interviews a ventriloquist Keith Harris who talks about the history and art of ventriloquism and his career 2.00 A Plus Elaine Grand. A drama documentary about the trial of Mary Eleanor Pearcey who was accused of the murder of her lover's wife (r). 3.30 Does the Team Think? Comedy panel game based on the successful radio series.
4.00 Cockleshell Bay. A repeat of the programme shown at noon 4.15 Cartoon: Speedy and Daffy in the Quacker Tracker 4.20 Razzmatazz. Fun and games and pop music. 4.45 CB TV-Canon 14. News, Eureka. The first of a series of six programmes about the invention of everyday things.
5.40 News with Moira Stuart 6.00 South East at Six.
6.15 Wimbledon 83. Harry Carpenter introduces highlights of the matches played in the first round of the Ladies Singles championship.
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11.45 News headlines and weather.

ITV/LONDON

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11.45 News headlines and weather.

BBC 2

6.05 Open University: Modernism: Bolshevik Art; 6.30 Who's Who in the Ocean; 6.55 Biology: Only in the Mating Season; 7.20 Man-made Macromolecules; 7.45 The Study of Drawing; 8.10 Closes down.
10.15 Play School. For the under fives, presented by Carol Leader and Stuart McHugh. The story is The Silver Daisy, by Karen Moore. 10.40 Closes down.
2.00 You and Me. For the very young, presented by Françoise Wright follows four-year old Elaine through her first day at school (r).
2.15 For Schools. Zoos: 2. Louise Hall-Taylor and James Earl Adair with the story of Albert and the Lion. With subtitles.
2.30 Wimbledon 83 introduced by Harry Carpenter. Live coverage of the opening matches in the first round of the Ladies Singles Championship.
7.50 News summary with subtitles. 7.55 International Rugby Special. Nigel Stammer-Smith introduces highlights from last Saturday's match between New Zealand and the British Lions, played in Wellington.
5.45 News. 6.00 Thames news. 6.20 Crossroads. Percy Dobson makes himself even more unpopular with the Brownlow household.
6.45 Reporting London introduced by Michael Barrett. Bill Wigmore continues with his investigations into London's street trading life and there is a report on why the failed West End production "I" is being replaced by the £2 million extravaganza "Y". Due to open on Monday at the Piccadilly Theatre.
7.20 Film: The Great Santini (1979) starring Robert Downey and Blythe Danner. The story of a Marine jet pilot and his high-handed wife with his family whom he treats as he does the men under his command. This leads to the inevitable conflict between father and son. Directed by Lewis John Carlino.
9.30 The Gaffer. Comedy series about a small Midlands engineering firm. When at last they receive an order, the best worker is on honeymoon which the goods are to be delivered.
10.00 News
10.30 I Like Competitions Because... Wondrously entertaining and fun for the people who have made competitions a way of life.
11.30 Jobs Limited. The last in the series and Douglas Moffitt examines our education system and how it prepares schoolchildren for today's working world.
12.00 Portrait of a Legend. Pat Boone talks about his career and his religion.
12.25 Closes with Stan Phillips.

CHANNEL 4

4.45 Years Ahead. Magazine programme for the older viewer, presented by Robert Dougal. There are items on a new play to be performed by the Royal Exchange Theatre Company based on the reminiscences of South London pensioners; and on ransoming South Africa's two sisters, Henriette and Lucienne, is continued with 'demonstrations of the everyday based on designs from their native Mauritius, and the skill they have attained in repairing china. There is also news of a new competition.
5.30 Countdown. Another in the quick-fire arithmetical and mental arithmetic competition between two people. The questionmaster is Richard Whitley and the arbiter in case any argument doubts is Kenneth Williams.
6.00 Back to the Roots. Richard Mabey's fourth programme in the history of plant growing in Britain series concentrates on Plants for Show Centrepieces. Flower Show the largest in the country, is featured as is Sweetnam's heaviest gooseberry competition. Elsewhere, Mr Mabey is with Anne Scott-James as she tours a garden full of British and foreign wild flowers.
6.30 The Dick Van Dyke Show. Vintage domestic comedy series.
7.00 Channel Four News.
7.50 Comment. With his view on a topic of importance is Sir Michael Fallick, former head of the Diplomatic Service and recently appointed Privy Counsellor.
8.00 Brookside. Lucy reveals to John that she intends to skip her O-level exam in order to join the anti-nuclear protest at the council meeting.
8.30 For What It's Worth. Martin Smith reports on the efficiency of the Corporation of London; Penny Juno reveals how easy it is for directors of bankrupt companies to set-up new companies; and there is a consumer report on men's shirts.
9.00 Film: Fallen Angel (1981) A male for hire. A story of the creation of the controversial subject of child pornography. Jennifer, a 13-year old, upset by her father's death and her mother's new boyfriend, becomes rather shocked toward a paedophile who provides her with a film camera. Starring Dana Hill and Richard Masur. The film, directed by Robert Lewis, won an award presented by the American Society for the Prevention of Cruelty to Children as the 'most important film ever made about sexual exploitation of children'
10.45 Black on Black introduces an examination of the opera Four Saints in Three Acts which is said to favour the 'white' voice rather than a 'white' voice.
11.40 Closes down.

CHOICE

Two stars are born tonight in the unlikely pulse of West Yorkshire. The brothers, Bob and Gordon. These two are the king on the cake of a fascinating documentary I LIKE COMPETITIONS BECAUSE... (TV 10.30pm) that examines the reasons behind competitors using competitors to boost sales and those consumers who find them irresistible. At various stages of the programme Bob and Gordon, who have been competing as partners for the past two years with a conspicuous lack of success, are filmed at they go, undaunted by failure, on their latest adventure, to track-down treasure, first for an ornamental longboat, later for Toblerone's Ford Sierra. How refreshingly candid they are in marked contrast to others interviewed who treat their

Radio 3

6.55 Weather.
7.00 News.
7.05 Morning Concert (Nelson Helms Concert). State orch. Debussy (Symphonies Nos 1 and 2) Liszt. Schubert (Die Götter Griechenlandes) Ravel (Daphnis and Chloé suite No 2). Recordist: Alan Hovhaness.
8.00 News.
8.05 Morning Concert (continued). Beethoven (overture: Creatures of Prometheus) Turin. Debussy (Gluck (music from Daphnis) Saint-Saëns; recordist: Alan Hovhaness.
9.00 News.
9.05 The Week's Records. Rivalry-Korsakov; Komisar Prokofiev; 2 of Tsar's Briefs.
10.00 News.
10.05 St Cecilia Singers. Palestrina, Morley, Byrd, Bach, Durufle, Howells.
11.35 Violin and Piano. Shostakovich, Stravinsky, Britten, Bartok arr. Inal. Racial by Nobuko Imai (Solo). And Roger Vignoles (Solo).
12.30 Svirinsky and Tchaikovsky. BBC Philharmonic Orchestra. Part 1: Svirinsky. (Symphony in Three Movements).
1.00 News.
1.05 BBC PC. Part 2: Tchaikovsky. (Symphony No 6 - the Pathétique).
2.00 Music Weekly.
2.50 Bath Festival 1983. Chamber music: Mozart, Giles Swayne, Faure, Schubert. Given by the Bath Ensemble. Includes: Mozart's Flute Quartet in D (K285).
4.35 Rousseaupol. Bach and Scarlatti. Soloists: 2.15 Vokalensemble.
5.30 The Four Nations. Harpsichord recital: Louis Couperin, Gibbons, Frescobaldi, Froberger. Played by John Tall.
7.00 Hans Schmidt-Isserstedt (new series) First of four North German Radio recordings featuring the conductor: Hadyn, Britten, Dvorak (Symphony No 7).
8.40 Quicks and Doctors. Talk by Roy Porter, senior lecturer in Social History of Medicine, Wellcome Institute.
9.00 BBC Singers Schubert, Martini, David Matthews. 19.50 Interval. 20.00 The World Tonight. 20.05 News. 20.10 The World Tonight. 20.15 News. 20.20 News. 20.25 News. 20.30 News. 20.35 News. 20.40 News. 20.45 News. 20.50 News. 21.00 News. 21.05 News. 21.10 News. 21.15 News. 21.20 News. 21.25 News. 21.30 News. 21.35 News. 21.40 News. 21.45 News. 21.50 News. 21.55 News. 22.00 News. 22.05 News. 22.10 News. 22.15 News. 22.20 News. 22.25 News. 22.30 News. 22.35 News. 22.40 News. 22.45 News. 22.50 News. 22.55 News. 23.00 News. 23.05 News. 23.10 News. 23.15 News. 23.20 News. 23.25 News. 23.30 News. 23.35 News. 23.40 News. 23.45 News. 23.50 News. 23.55 News. 24.00 News. 24.05 News. 24.10 News. 24.15 News. 24.20 News. 24.25 News. 24.30 News. 24.35 News. 24.40 News. 24.45 News. 24.50 News. 24.55 News. 25.00 News. 25.05 News. 25.10 News. 25.15 News. 25.20 News. 25.25 News. 25.30 News. 25.35 News. 25.40 News. 25.45 News. 25.50 News. 25.55 News. 26.00 News. 26.05 News. 26.10 News. 26.15 News. 26.20 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